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# West Europe Report

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## 1981 DEFENSE BUDGET TO EXCEED RECOMMENDED INCREASE

Rome AVIAZIONE in Italian Feb 81 p 44

[Interview with Paolo Caccia, Christian Democratic Party, member of the Chamber of Deputies Defense Committee, by Enrico Colavita]

[Text] In 1981, Italy will spend over 7,500 billion lire on the Armed Forces. This amount was appropriated, a few days before Christmas, by Parliament, which approved the budget of the Ministry of Defense for the current year. A sizable outlay, if account is taken of the fact that it will increase from 5,780 billion in 1980 to 7,510 billion in the current year, with an increase of almost 30 percent. That is to say that this increase is greater than the increase in the overall budget of the state, which amounts to 11 percent. To the over 7,500 billion must be added about 1,000 billion lire to be thrown into the 1981 Defense budget by the by now well-known promotion laws of the three Armed Forces. We interviewed Paolo Caccia, member of the Christian Democratic Party, reporter for the Defense Legislation Committee and member of that same committee, for a close examination of this subject.

[Question] Deputy Caccia, first of all we ask you whether it is true that defense expenditures are constantly increasing, not only in Italy.

[Answer] Yes, it is true. At present, there is a general upswing in armament outlay. For example, West Germany's expenditure budget will increase from 37.7 billion marks in 1980 to 38-38.5 billion marks in 1981, for a population similar to ours. With regard to the United States, the 1982 budget is already being discussed, with an expenditure estimate that should amount to close to \$200 billion. Personally, I believe that with the Reagan Administration this amount is destined to increase still more, especially if account is taken of the sensation caused by Reagan's wanting to make up for "lost time." It can be said, in short, that the larger countries are starting to increase armament expenditures for the next few years and that is also due to the sharp progress made in technology tied especially to the development of electronics for an impressive series of weapons.

[Question] Returning to Italy, do you believe that Italy also is getting ready to make up for "lost time"?

[Answer] Our country will not abandon its role, so important to its position on the Mediterranean, of advocating an active policy for resumption of a process of detente, but we also know how fragile the axles on which we are riding are. It suffices to think about the nearby Middle East area to understand us.

[Question] "If you want peace, prepare for war"? Is this what you mean?

[Answer] No. This is not the point, because our task is one of detente action, especially in the political field. We must, however, also be authoritative members of the Atlantic defense mechanism.

[Question] NATO has recommended to all its member countries a 3-percent increase in armament expenditures for this year. Have we done that?

[Answer] This year's budget should enable us to achieve an actual increase of 3 percent and in theory also to exceed that amount. Actually, things are going somewhat differently, because about half of the increase is being absorbed by expenditures for personnel and, therefore, there is no increase in expenditure actually capable of being singled out as "real," because that increase can be absorbed in an inflationary progression to the same degree.

[Question] Again to come back to Italy, in short, can you tell us how the 1981 Defense budget is broken down?

[Answer] For greater clarity, I should like to point out here that of the 7,510 billion lire for estimated expenditures, only 6,160 concern national defense strictly speaking, while another 1,257 billion concern public security, that is to say the Carabinieri branch. Of the above-mentioned 6,160.6 billion, 3,723 pertain to the acquisition of goods and services (165 are added for the Carabinieri). Therefore, a total of 3,896.4 billion for goods and services out of a total of 7,510.7 billion for estimated expenditures. Of these, 509.6 billion are for purchase and maintenance of land, naval and air equipment, compared with 377.5 billion in the original 1980 estimates and 390 billion in the adjusted estimates. One hundred three billion are for aids to air navigation, air defense and telecommunications compared with 85 billion in the 1980 budget with residuals equal to 86 percent. Expenditures for motor vehicles and fuel increase from 268.2 billion (adjusted to 287.7) to 387 billion (here the residuals are obviously smaller, in view of the nature of this expenditure and equal 47 percent), while quartermaster and supply corps expenditures will probably increase from 466.2 billion to 598.2 billion (residuals of 38 percent). Finally, Engineering jobs pertaining to state property amounting to 215.8 billion compared with 160.2 billion in the previous budget, with 34-percent residuals, and then 30.5 billion for medical expenditures, compared with 26.6 billion in the 1980 budget and residuals amounting to 37 percent, and other personnel benefits amounting to 24.6 billion compared with 19.1 and residuals equal to only 3 percent.

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## REVELATIONS BY LEADING 'REPENTANT' TERRORISTS

## Confessions of Penitent

Rome L'ESPRESSO in Italian 21 Dec 80 p 24

[Article: "Putting Their Cards on the Table"]

[Text] Rome--The "penitents" continue to talk and reveal disquieting tales, horrendous exploits and unexpected turns of events. L'ESPRESSO, having obtained their first-hand reports, is publishing them for the first time in this issue.

The latest to confess is one of Prima Linea's chieftains, Michele Viscardi, dubbed "Mike with the green eyes." The first was Carlo Fioroni, 1 year ago. Twelve months of repentance, of confessions, detailed revelations on criminal deeds, kidnappings and assassinations committed in the past few years by terrorists of many groups, have been meticulously reconstructed. Indeed, Viscardi began talking just when numerous judicial investigations into terrorism were ending. Now we know about dozens of episodes which heretofore have been secret. In this issue, L'ESPRESSO is publishing for the first time extracts from depositions recorded during interrogations by the most important of the repentant terrorists, Patrizio Peci, Carlo Fioroni, Carlo Casirati, Mauro Borromeo, Roberto Sandalo, Sergio Zedda, Fabrizio Gai, and Michele Viscardi. What has come forth is a complete panorama of terroristic activities: the help given by the Palestinians to the Red Brigades; crime-abetting lawyers; the truth about the holdup at Argelato, and the Saronio kidnapping; the Cefis, Rizzoli and Pirelli sequestrations; what Marco Donat Cattin was actually up to; and other episodes.

## Peci's Story

Rome L'ESPRESSO in Italian 21 Dec 80 pp 24-26

[Article by Maurizio De Luca: "The Red Brigades and Their Friends"]

[Text] Turin--He talked for over 200 hours, enabling the judges to identify the Red Brigades' entire affiliated network, national and international. After spilling secrets, which all the newspapers published several months ago, Patrizio Peci followed up with two important revelations.

The Lawyers. On 16 April of this year, Patrizio Peci decided to tell the judges everything he knew about the Red Brigades' lawyers. The consequences were dramatic: on the basis of his deposition, warrants were issued for the arrest of two jurists, Edoardo Arnaldi in Genoa and Sergio Spazzali in Milan. The carabinieri, however, failed to nab Arnaldi: at the moment of his arrest on 19 April, he committed suicide with a pistol shot in the head. "I have some things to say about these lawyers," Peci began, but added that he did not want to mention an elderly Genoese lawyer, "who never harmed anyone by participating in the Red Brigades' actions." But now, he went on, "since I have decided to talk, I should like to add something." The something consisted of two episodes:

1) Ornella Vai, subsequently arrested, forwarded to Rocco Micaletto, Red Brigades' leader, a sketch "to indicate where she had hidden a file or the work done in the factories"--data on various managers, section bosses, newspaper clippings, etc. "Micaletto," Peci explained, "told me that he had received the document from Arnaldi. When a brigadier was arrested, Arnaldi served as a point of reference so that the captured comrade could keep in contact with the organization. One of the most important of those who maintained contacts with Arnaldi was 'Roberto' of Genoa, that is Piccardo Dura."

2) During the first summary trial of Peci and Micaletto immediately after their arrest, "Arnaldi requested and obtained permission to have a conversation with us in our cell; this lasted about 1 hour. Arnaldi," Peci continued, "told us that the organization wanted to know where we had been trapped and how our arrests had come about. Our colleagues wanted to know whether we had had appointments with anyone, what keys we still kept with us. where Micaletto came from--in other words, everything the organization needed to know in order to limit the consequences of our arrests."

According to Peci, "Arnaldi also asked if we knew the names of any carabinieri who had taken part in the operation. In short, he wanted us to tell him everything we could. Then, he said, since we would stand trial separately, he could not plead for all of us, therefore he would have to appoint another lawyer to assist him. For such work, there were only himself and Sergio Spazzali; no one else could be trusted. Since we were members of the Red Brigades, from what he told us we took it for granted that whatever he was doing for the organization, Sergio Spazzali was doing the same. We also took it for granted that one was just as good as the other, as far as the organization was concerned. There was only a geographical difference; for their convenience, Spazzali took over the Milan area, Arnaldi the Genoa area."

Regarding Spazzali, Peci recounted an episode in detail. In a meeting of the Red Brigades' strategic committee, held on the Via Fracchia in Genoa, Riccardo Dura told the group that "Immediately after Azzolini's arrest, he gave Spazzali all the addresses of hideouts the police had not yet discovered so that Spazzali could warn them that they must change all their keys." Dura, Peci continued, rebuked Azzolini for this, "because he had revealed facts of vital importance to the organization to a person like Spazzali, who was not definitely confirmed as a militant of the organization, even though he could be trusted."



And what about Giannino Guiso? the judges asked Peci. "I can say nothing more than that he defended only the leaders; he was interested only in the top people, like Renato Curcio--for one reason, to promote himself, for another to oversee their security. But as far as I know, he had nothing else to do with the organization. There is a piece of gossip I prefer not to talk about..." The judges insisted on hearing it. "All right," Peci replied, "I'll tell it on your explicit request. Once Guiso took the sister or the wife of a comrade in jail to his hotel room. The woman wanted to talk with him about the prisoner's chances at the trial. But Guiso donned his dressing gown and tried to make out with her. The girl rejected his advances and walked out. From that moment on, Guiso took no further interest in the man's defense. And this was only one episode of the kind."

The Palestinians. Peci gave the judges complete and explicit information on the links between the Red Brigades and the PLO, beginning with his first interrogation (early in April 1980) by the investigating judge, Giancarlo Caselli. His two-page deposition, hitherto secret, is crammed with facts. Instead of passing the document on to the press, SISDE [Service for Intelligence and Democratic Security] deputy chief Russomano, tore it up. As Peci told it, "As for the Palestinians, the Red Brigades were in league with the PLO--not with the summit but on lower levels. However, the summit leaders knew about it, otherwise they would not have given them arms. The political dialog with the PLO went somewhat farther, partly, for one thing, because the Palestinians wanted to see Italy destabilized, but mainly because they have always helped all revolutionary movements that could eventually help them to expand their alliances. It was the Germans of the RAF [Red Army Faction] terrorist group who put the Red Brigades in contact with the PLO. The discussion went on for about a year. We tried to make it clear to them that we wanted to fight a class war in Italy, but not to fight the Israeli; in other words, we wouldn't function as an arm of the PLO in Italy. We would lend a hand, all right, but not carry out any actions for them. Finally the relationship was sufficiently clarified on this basis, and the PLO acted on its willingness to give us arms (which we wanted; we had no problem paying for them). So the PLO furnished us with arms, explosives, plastics, pineapples and heavy machine guns of the Sterling type. Three-quarters of the supplies were earmarked for us, the rest we were to store away and keep at the disposal of the PLO for their eventual use in Italy... Toward the middle of July, 1979, departing by sailboat from I don't know where, Moretti, Roberto of Genoa and Sandro (I mean Sandro of the Rome column, who was setting up a column in Sardinia) went to some Middle Eastern country--I believe it was Lebanon--where they loaded the materiel I spoke of aboard their boat. I remember that when they arrived at whatever port it was where they were to load the arms, the Palestinians wouldn't allow them to land. They just stood on the shore at the ready with their machine guns. Then, given the password and the order, they let our men load up and made them leave. The reasons for this was that it suited both sides not to prolong the contact any more than necessary.

"The materiel was unloaded at Mestre and stored, I think, in a garage. Then the head of logistics there distributed it around among the various columns. Our share came by train to Turin, where Mattioli, the two Liburno brothers and Curinga Mauro took charge of delivery. Practically all the materiel recently seized by the carabinieri in Biella came with that shipment. If you multiply the quantity they found in Biella by five, that's the total of the materiel distributed among the

various columns. In addition, there was a huge strategic storage space in a cave that only the 'Sardinian' and a family living nearby knew about."

A little more than 1 month later, Peci, still testifying before Judge Caselli, dictated this statement: "Speaking of the Palestinians, I meant to refer only to the Palestine Liberation Organization, headed by Arafat, not to Palestinians in general or to any political, military or paramilitary organizations other than the PLO. I recall asking Micaletto expressly whether it was exclusively a PLO matter, and he confirmed this. I want to repeat, moreover, that the Red Brigades had no contact with the PLO summit, only with the lower levels. But the PLO summit knew what was going on, otherwise they wouldn't have given us the armaments."

#### Further Confessions

Rome L'ESPRESSO in Italian 21 Dec 80 pp 26-29

[Article by Paolo Mieli: "Autonomia and Its Kidnaped Captives"]

[Text] Milan--Aside from the depositions that made possible the arrests on 21 December 1975, Carlo Fioroni has given further testimony. Following him, others imputed in the same trial against Toni Negri's organization--Carlo Casirati, Mauro Borromeo, and Caterina Pilenga--spoke up. Many of the ensuing facts were cited by the judges to contest Negri directly on 4 December of this year. Negri denied every accusation. Here is how the repentants reconstructed the most notorious of Autonomia's exploits:

The Holdup and Murder of the Carabinieri at Argelato. From Fioroni's first deposition we know that this crime was committed by members of the group commanded by Toni Negri. But here are more particulars. Fioroni: "It was Franco Franciosi who told me about Argelato...He said that 1 million lire had been put at the disposal of Oreste Strano; the money came from the first holdup in Bologna...What is more, I myself saw Franco Tommei in possession of banknotes and checks taken, as he said himself, in that holdup. The other defendant accused of the Argelato murder," Fioroni testified at the same interrogations on 31 December, "was Ernesto Rinaldi. Franciosi told me in confidence that it was Rinaldi who machine-gunned the carabinieri Lombardini. He also told me on confidence that after the murder, he and the other three--later arrested in Switzerland--managed to get to Milan, where they went into hiding. Either some or all of the four were given refuge in a domicile which, if I remember correctly, was Caterina Pilenga's. Their escape to Switzerland had already been planned. They crossed the border near Luino. Franciosi felt some resentment toward Negri, but I don't recall whether or not it had to do with the escape. Anyway, Franciosi told me that the whole thing had been badly planned, and that Gianluigi Galli had helped to make the arrangements."

Mauro Borromeo's deposition confirmed Fioroni's story: "On orders from Negri I was involved in the scheme to get the men guilty of the armed robbery at Argelato out of the country. He had notified me that Caterina Pilenga and I must escort them to the Swiss border, where a member of the organization would take them in charge."

But once in Switzerland, the refugees committed a disastrous error. By some misunderstanding, instead of the "member of the organization" they presented themselves to a Swiss policeman, who promptly arrested them. Referring again to Argelato, Carlo Casirati declared: "In Milan I acquired about 50 identity cards from members of the underworld... I gave these cards to Fioroni, but I am sure that Egidio Monferdin used them to get the men, or some of them, into Switzerland." Elsewhere Casirati stated, "Again on the subject of Argelato, Egidio told me that one or more of the men involved in the robbery lived in Caterina Pilenga's house before they fled the country."

The Attempted Sequestrations of Cefis, Rizzoli, and Pirelli. Fioroni explained that "Tommei coordinated the job of collecting information on Cefis and his villa at Arona, on Lake Maggiore. In the group he set up to do the job were three or four persons, including Borromeo. I believe it was Tommei himself who told me vaguely that he had thought of assaulting the Cefis villa from the lake, reaching it by motorboat."

Casirati's deposition clarified other exploits: "Among possible kidnaping victims, in Milan we began to talk about the Rizzoli family (it was Marelli, an employee of the Rizzoli publishing house, who collaborated on the plot; she told us that Rizzoli arrived at his office every Friday afternoon at 5 or later), also about a member of the Pirelli family (I think a boy or a girl mentioned in the press after a member of the family was involved in a fatal accident near Genoa, along with names and addresses). I myself undertook to check the kids' movements, but I could see that the job would have been hard to pull off. Pilenga spent a lot of time searching for names of people to kidnap (she spoke of a singer who lives in Milan, a woman she often visited in her home. Originally she had suggested the house as a good place to rob.)."

Casirati also spoke of the attempt to kidnap the son of the industrial magnate Duina but, since the newspapers reported the episode several months ago, this part of his testimony is generally known.

Negri and the Underworld. Casirati: "When I arrived in Padua (in 1974), I stayed with Liverani in what I later discovered was Tony Negri's home. Negri, I was told, came back from Milan every Monday and stayed there for 1 day before returning to Milan. On my first night there, after seeing a movie, I met Negri. I remember that night well because I had a row with Liverani; he wanted me to sleep on a cot, but I demanded the double bed because my wife was with me. Liverani replied that the double bed was Negri's, and he would be arriving that same night. I took it anyway, pointing out that he and his pals kept saying that 'property was abolished'...Then my wife went to bed, and we sat in the kitchen drinking. Negri dominated the conversation to test me and my political convictions. It all struck me as kind of brainwash, which I could tolerate only to a certain point, and I told him that his speeches didn't impress me much, and that his abilities were no match for Mimi Boffa, a Neapolitan swindler I know. Then Negri spoke of a robbery he wanted me to commit, although in a generic way....I saw him a couple of other times in Padua. On these occasions, too, I talked with him about raids that never came off (the aborted robberies of the lead factory and the university). But we discussed these things in general terms, and he encouraged me by saying that they knew it wasn't my fault if those actions had failed..."

The Kidnaping of Saronio. A few months ago, the newspapers printed Carlo Fioroni's version of the kidnaping and murder of Carlo Saronio. Now we publish the account given by Casirati, who organized the plot. The preparation: "Returning from Switzerland, Fioroni agreed to speak to his friend Saronio about the idea of framing a fake kidnaping, but Saronio refused to go along with it. When Fioroni told me this, I answered that we should really kidnap him. Marelli and Pilenga were sort of doubtful about it because, they said, at least two clues could lead to them...During the discussion, however, I convinced Marelli and whoever else hesitated that their fears were altogether unfounded; in any case, I said, the deed would be done. Now everyone agreed that we should waste no time because Saronio would soon be leaving for America. The plot was confirmed when Marelli, Pilenga, Monferdin, and perhaps Fioroni pitched it up to the organization leaders, who gave their approval. I have no doubt that the approval came mostly from Negri because they had to have his authorization down to the smallest detail..."

The Kidnaping. "Fioroni"--it is still Casirati speaking--"came to my house around noon to notify me that a meeting would be held that evening in Borromeo's house. There I saw my gang, four underworld thugs, whose names I prefer not to mention. Everyone gathered at the street door of Borromeo's building (Editor's Note--Borromeo also agreed to the kidnaping). I remained apart, sitting in a friend's Mini and hidden from the others. This was because I was the only one Saronio knew, and I didn't intend to be seen by him or the others... My accomplices approached the group (Saronio, Marelli and others I didn't recognize) and showed them phony carabinieri identity cards. They asked the group for their documents; after they were examined, one of the thugs said to another, 'Brigadier, give him the handcuffs,' indicating Saronio. Saronio put up no resistance."

The Prison. "The prison," Casirati went on, "was in a small villa in Garbagnate, taken by the organization. The two 'prison wardens' were organization members; in fact, one of them owned the villa. I won't tell you his name because he has given up all political and terroristic activities. The other one was a well-known Red Brigadier, who is now in prison for a long stretch. I won't mention his name either because he behaved correctly with me and my associates. The next day Marelli came to my house to ask how things had gone, what Saronio's situation was, and how his family had reacted to our telephone calls demanding the ransom money. Her visit irritated me because I felt she was meddling. According to our agreement, only we 'commoners' were detailed to do the kidnaping and negotiating. The organization's job was to give us the necessary information before the kidnaping, look after Saronio with the help of the two prison wardens, and then just wait...After 2 or 3 days I was informed by one of my aides that Fioroni had gone with someone else to the villa at Garbagnate to present himself to Saronio and talk with him...I went immediately to Fioroni and bawled him out for being so imprudent."

The Murder. "After Fioroni's visit, my aides told me that it had been decided to transfer Saronio from the villa to another prison, thought to be safer. But just beyond Garbagnate the car ran into a police roadblock, which they somehow managed to elude...but since Saronio, who was hooded, began thrashing around, they were afraid he might do something that would give them away, so they put him to sleep with some kind of drug Fioroni had given me; he had got it from Pancino." The



drug killed Saronio. "We decided not to say anything to the politicians about where we hid the corpse because word might have leaked out, and that would have messed up our negotiations and the payment of the ransom." Did Negri know all that? "Of course," Casirati replied. "He was kept abreast of the whole proceedings through channels in Milan and Venice. There is no doubt that he knew, for two reasons: because people I spoke to told him everything and because it wasn't possible that such a thing could be done by the organization without his knowing about it...Meanwhile, although they hadn't been notified officially of Saronio's death, Marelli, Egidio, and Pilenga began to suspect that something had gone wrong, and they asked me why I was taking so long to send a photo of him to his family. I answered sharply that the fewer questions asked, the better. A few days later, the Saronio family shelled out the ransom money."

**Relations Between Terrorism and the Mafia.** In a statement made on 31 December 1979, and published here for the first time, Carlo Fioroni declared, "Francesco Profumo was confined to prison in Como from May, 1976, to January-February, 1977. He had a very prominent tattoo on his back. Profumo told me that he was a member of the organization and that he was there to protect me and help me escape...He also said that Negri and Scalzone considered me rescueable, and they were working to get me out...Profumo said he had been an intimate friend of Liggio and that one branch of the Mafia openly supported our armed struggle."

#### Founding Meeting

Rome L'ESPRESSO in Italian 21 Dec 80 pp 29-31

[Article by Franco Giustolisi: "Prima Linea and its Killers"]

[Text] Turin--The first, or one of the very first, meetings at which the political and organizational foundations of Prima Linea were laid, took place in the home of Marco Donat Cattin's parents in Turin. That was in September 1976. Roberto Sandalo, who was there, told the investigating judges that "Marco, who then took the name of Alberto, anticipated the use of violence on two separate levels: mass violence and organized clandestine violence on a national scale in collaboration with various groups that were following the same guidelines in other parts of Italy."

According to Alberto Bernardi and Francesco Gianfrotta, the two magistrates who drew up the bill of indictment against Prima Linea, the original nucleus of Prima Linea was formed by ex-members of Lotta Continua, those hardbitten types who collected around the publication SENZA TREGUA. But even before that meeting, Donat Cattin and other future adherents had already embarked on their terroristic career by robbing to collect money for financing themselves and setting up structures with a legal front. Sandalo: "With 12 or 16 million lire, the group opened a bookshop in Turin which was meant to serve as a cover for militants who, having taken part in illegal actions, had to prove that they were legally employed in the bookshop. The proceeds of the business were to be turned over, at least in part, to the group's treasury."

After that momentous meeting, the "military" campaign erupted with Molotov explosions in the Singer Sewing Machines quarters, the Donat Center of Studies, and the SIP parking lot. Among the participants were Sandalo, Donat Cattin, and Roberto Salimano.

That "armed band," founded and developed within the ambit of Autonomia Organizzata, was still primitive in its structure: essentially, its framework consisted of the Proletarian Armed Squads, the combat nuclei. Marco Donat Cattin was at once its charismatic leader, military brain and jack of all trades. "In February 1977, when we attacked the monarchist center," the inexhaustible Sandalo explained, "our arms were consigned to Marco, who brought them in his car to the Via Castelgom-berto..." It was only toward the end of 1978 that the organization expanded to include patrols, unified city by city by a command charged with giving technical and logistical support: theft of cars, for example, which were turned over to the Prima Linea chiefs for exploits on a higher level, such as raids, firing at people's legs, and homicides. "By comparison with the patrols, Prima Linea was an elite group," said Sergio Zedda, one of the numerous repentants. "There was friction with the lesser structures..." In other words, the leaders gave orders which the others were obliged to carry out without comment.

The Prima Linea Summit. Zedda recounted: "The supreme entity of the organization was the national executive committee, which settled all political, military and logistical problems, and its decisions were binding. The committee also supervised its affiliations with the various combat outfits, particularly the Red Brigades. Then there was the national command, consisting of the outstanding militants in the combat groups, and the headquarters commands, whose job it was to guarantee the executive functions and to formalize debates proposed by the single centers to the executive committee...A third organism was the National Attack group, which stepped in whenever Prima Linea undertook some action that went beyond the capacities of the local branches." It was indeed the National Attack group that prepared and carried out the assassination of William Vacher, thought to be a spy, "as an authoritative warning." Members of the executive committee and the command included Marco Donat Cattin, Roberto Rosso, Maurice Bignami (military chief of the Turin branch, dubbed Davide), Susanna Ronconi, Bruno Laronga, Sergio Segio, and Fabrizio Gial (battle name: Ivan the Norman).

The Arms. Who supplied them? Zedda told the judges, "The arms were acquired on the clandestine market with the money taken in the holdups, for which our responsibility was never claimed, or from thefts...I recall that early this year, Ivan the Norman spoke to me about a contact he had made with members of the organized underworld for the purpose of buying arms. He said that he had closed the deal, but that was all the information he gave me. He also told me that Prima Linea's relations with the French NAPAP, which was in a position to furnish arms, especially war materiel, like the FAL (a Belgian rifle)...Furthermore, Prima Linea collaborated with Autonomia, which was a source of provisions, such as the Kalashnikov machine guns. It was Ivan, too, who told me that Autonomia in Rome was connected with the Palestinians to obtain arms imported into Italy. He said they arrived by ship..."

Stipends and Subsidies. Continuing Zedda's testimony: "Ivan told me that the organization paid its clandestines a monthly wage ranging from 350,000 to 400,000 lire." Apparently these were separate expenses. "Prima Linea," Francesco Gial explained, "pays a food subsidy to the families of Barbara Azzaroni and Matteo Caggegi, members of Prima Linea's Turin combat team who were killed during a shoot-out with the police."

**Affiliations with Foreign Organizations.** Sandalo testified: "These affiliations were supervised by Davide (Maurice Bignami), who maintained contacts with the French NAPAP ever since he militated with the Communist Combat Formations (Editor's Note--Corrado Alunni's group). In May 1979, exponents of this group set up an appointment with Davide in Turin. The French stole a Renault TX 2600 in Paris and drove in it to Turin. Afterwards they left it with Davide as a gift. That was the car used later in the assassination of Civitate...Alberto (Donat Cattin) told me once of a military training camp established in Provence in August 1978 by ETA, NAPAP, PCC and Prima Linea. The ETA people proved to be extremely efficient, and they were much admired. They gave away kilos of explosives, shot off hundreds of projectiles with Sten guns, and saw to the testing of their explosives."

**The First Rift.** In the spring of 1977, Prima Linea convoked a congress in a small villa near Florence, perhaps at Bagno a Ripoli. The delegates came in twos from every part of Italy--Naples, Turin, Milan and, of course, Florence. Most of them arrived by bus, and some hitchhiked (the organization's directives required such means of travel). Among those on hand were Rosso, Laronga, Ronconi, and Segio. In total harmony they discussed means of improving the efficiency of the national structure, a constitution, and rules for the militants to follow, which were later defined. At the end of the congress, a unitarian motion was unanimously adopted. But 2 years later--in September 1979--in a villa in Bordighera, the discussion was more heated. Donat Cattin, who had taken part in the shootout that cost the life of the student Emanuele Lurilli and in the murder of Carmine Civitate (it was Marco who brought Bruno Laronga to Milan; Laronga was one of the killers wounded by a "comrade inexperienced in machine-gunning"), said that the moment for reflection had come: to think about what roots the organization had sunk in society and how its components should act henceforth. Foreseeable, he said prophetically, was a massive repressive response by the state. But these were not the words of a dove: Donat Cattin plotted and carried out the murder of the judge Emilio Alessandrini with the complicity of Sergio Segio, military chief in charge of the plot, while Michele Viscardi covered them with his machine gun. But even though Donat Cattin was one of the original leaders, he failed to win the support of his fellow delegates in Bordighera. Hence the split. Donat Cattin-Alberto quit Prima Linea with a score of followers, carrying off arms and several million lire. The others said of him that "he was a confirmed bourgeois, he couldn't keep a secret, he once went off on a cruise paid for with the organization's money, he took refuge in privacy on phony excuses, and he continued to hold up victims, not to finance the organization but rather his own bourgeois luxuries." One year later, Donat Cattin retorted with a statement in which he accused Prima Linea "of being reduced to proclaiming miserable politics."

**The Second Split.** First Peci spoke, then Sandalo, then many others. After taking their vacations--at Forte dei Marmi and Marina di Massa in 1979, at Punta Ala, Principina, and Castiglione della Pescaia in 1980--the Prima Linea chieftains gathered together at Senigallia in September 1980. As was the case every year, the summer hiatus served various purposes: to advance politico-military intrigues, to bask in the sun, chase girls, and rob. At Senigallia, a clash broke out between Bignami, Segio and Viscardi, who wanted only to plan future assassination conspiracies, and Rosso, Ronconi, and others, who wanted to frame such actions in a



political context. To avoid exacerbating the dissension, Rosso set forth a proposal--which was approved--to abolish the executive committee, the command, and the National Attack units. Only these commissions survived: antiguerrilla, entrusted to Ronconi; technical-logistic, entrusted to Francesco d'Ursi; and development of political coordination, with Rosso in charge. The program also called for a new commission to tackle problems of security; it was a matter of urgency to create new "compartments" in view of the spurt in the number of repentants. But Bignami had already applied to join the Red Brigades, and Sergio Viscardi, since he had been wounded, it was unanimously agreed to allow him a period of rest; during his recuperation, Prima Linea would take care of him. When he recovered, they would decide what to do about him, for one reason because some suspected that he might reconsider. Roberto Rosso's plan was more or less to seek new roots in the south (as a promotional action, Prima Linea, new style, attempted to kill the architect Lenci in Rome), then to return with his forces to the north, mainly to Turin, Prima Linea's cradle and a manufacturing center. But his program was never realized: they were all arrested.

Flight and the New Group. Donat Cattin and his accomplices assumed no title or emblem but nevertheless carried out four holdups in Valle D'Aosta and the Milan area. Yet almost nothing is known about this new band, of which seven or eight were arrested in Paris. Some say that Donat Cattin managed to escape aboard an executive plane, generously put at his disposal. Apparently some relative, another penitente believes, obtained a [false] identity document for him. Other penitents add that he had always been given good protection; perhaps some member of his family knew that he was a Prima Linea chief and that his battle name was Alberto.

#### Proposed Law Reform

Rome L'ESPRESSO in Italian 21 Dec 80 p 25

[Article by F.G.: "If This Proposal Is Adopted"]

[Text] Rome--Repentance is now the thing. But what will become of the penitents? According to Article 4 of the law enacted on 6 February 1980, persons theoretically sentenced to several terms of life imprisonment, like Peci and Viscardi, can be granted a reduction up to 12 years for a total penalty of 12 years; then if general extenuating circumstances are allowed, one-third of this total can be pared, reducing the sentence to 8 years. Furthermore, according to Article 176 of the penal code, after half the sentence has been served, a conditioned penalty will bring it down to 4 years. In addition, Article 54 of the penitentiary regulations provides for a further reduction of 20 days out of every 6 months for good behavior. But these conditions are valid only if the penalty has been judged irreversible in a first-grade trial, in an appeal trial and in the Court of Cassation. But since the average length of a trial in Italy is 8 years (the Catanzaro trial, which has already lasted over 10 years, has still to go to the Court of Cassation), many of these extenuations are likely to remain solely on paper. How can this matter be remedied? "The moment has come for effective proposals," says Giancarlo Caselli, investigating magistrate in Turin. "Something is beginning to move in this

direction, but we must act quickly to exploit the phenomenon of the penitents to the maximum. Our opportunity is here, we must grasp it today, for the reason that a long jail sentence with only a remote prospect of a reduced penalty and rehabilitation could produce reverse results: the refusal of terrorists to repent. Instead, they will establish new terroristic organizations."

What proposals? Caselli answers, "We might see if it would be possible to apply the reductions immediately after the first trial without waiting for the decision of the courts of appeal and cassation. The important thing is that moment during the trial when the terrorist declares publicly that he renounces his part in any further armed struggle. There would not be a general amnesty but mitigations would be applied case by case through firm control over the repentant's social rehabilitation. Different individuals would be given different treatments. Another idea: to see if it wouldn't be wise to grant special considerations to a few exceptional penitents, whose influence has been determinant in the fight against terrorism. We could, for example revive the so-called Valpreda Law, allowing for freedom on bail in exceptional cases."

Declares another magistrate, Alberto Bernardi, deputy prosecutor in Turin and director of the Piedmont review MAGISTRATURA DEMOCRATICA: "We must adapt existing legislation to the new circumstances brought on by the wave of confessions. Today's realities are quite different from what could have been foreseen when the law pertaining to reduced penalties was enacted. However, I do not propose a general amnesty but rather an evaluation of each individual case, since penal responsibility is individual; therefore, every trial must proceed in terms of the individual. Also, where penalty reductions are concerned, we should take into consideration the exceptional contributions made by persons like Peci, Sandalo, the Barbone, to cite only those whose situations I know about. But any benefits, any reductions must conform to the logic of a trial, in which legal dispensations can be usefully broadened and extended—for example, abolition of the regulation that rules out freedom on bail for certain crimes. But we must take care not to stop only at terrorism; in the future, penal concessions for collaborators should be extended to include all other forms of organized crime."

#### Viscardi Collaboration

Rome L'ESPRESSO in Italian 21 Dec 80 p 27

[Article by Giuseppe Nicotri: "What Negri Did Not Do"]

[Text] Milan—The latest terrorist to repent and collaborate with the police is Michele Viscardi, Prima Linea leader. "I made this decision because armed warfare is now completely alienated from the masses; therefore, it is in defeat and reduced only to the dimension of terrorism. It is not worth it any longer. That is why I have laid down my arms, and I urge you to do likewise." Thus began a two-page appeal which Viscardi intends to distribute among his former comrades. The appeal concludes with a denunciation of "those publications (Editor's Note—an allusion mainly to LOTTA CONTINUA) that portrayed me as a traveling salesman of death, exasperated by family tragedies, and my status as an orphan." In his deposition, Viscardi averred that he had "never wounded or killed anyone." He limited himself

"to working with tactical support groups, whether armed with pistols or smoke candles, in any actions in which I participated," he added. These actions, however, were not few in number. There were at least seven homicides--of the judges Galli and Alessandrini, of the Turin barman Carmine Civitate, the ICMESA engineer Paoletti, two carabinieri in Viterbo and another at Martina Franca. Viscardi, however, admitted that he was a good shot ("I was trained at the Bergamo shooting range and in the mountains above Bergamo") but, he went on, the "real pistols" in Prima Linea were Sergio Segio, Maurice Bignami, and Silveria Russo. Viscardi said that he quit Prima Linea when Bignami did, in the spring of this year. Following up his confessions, the police made raids in 10 cities, dismantled Prima Linea almost completely, and arrested almost all its foremost exponents.

Viscardi's deposition includes other factors which concern the overall probe into Italian terrorism in its various aspects.

**The Murder of Alessandrini.** Viscardi stated that he attended the meetings during which it was decided to kill the Milanese magistrate Alessandrini. He added that Toni Negri had nothing to gain from that episode and that Prima Linea did not know about Negri and Alessandrini having been to dinner at the home of Judge Bevere. Nor did Prima Linea know that Alessandrini had been charged with coordinating several investigations into terrorism; "We knew nothing about his efforts to specialize the magistracy's drive against the armed terrorists and improve its efficiency. The decision to kill him was taken during a meeting at our Milan bases on the Via Accademia, the same base where we later decided to kill Judge Galli, who had been looking into the Milanese armed groups," Viscardi said.

**Contacts with the Palestinians.** Viscardi confirmed the information that the most sophisticated arms came from the PLO. "The bazookas and the Russian Kalashnikov model machine guns, which I led you to in the Tivoli woods," the Bergamo terrorist explained, "came from Palestine. These arms were supplied by the PLO's most extreme fringe, which shipped them by sea. I know about a number of shipments. As far as I can tell, these supplies were distributed in Italy among the various armed units. I don't know who controls this traffic or what routes are used to bring the stuff into Italy." The magistrates are convinced that the PLO "extreme fringe" is the one headed by George Habbash.

#### Missing Sheet

Rome L'ESPRESSO in Italian 21 Dec 80 pp 28-29

[Article: "Here Is the Missing Sheet"]

[Text] App.: the copies of Patrizio Peci's testimony, consigned by Silvano Russomano, SISDE deputy chief, to MESSAGGERO reporter Fabio Isman, according to the findings of the magistracy, one sheet was missing. The content, now published by L'ESPRESSO, covers that part of Peci's deposition, made at the beginning of this year, in which Marco Donat Cattin, son of the then DC vice secretary, was cited for the first time as a terrorist. Following is the text of the page.

"The split (Editor's Note--within Prima Linea) occurred when those who believed that Italy's political climate warranted only 'low target' actions--such as attacking gynecologists and things like that--left the organization. They argued that actions like the Carlo Chiglieno incident (Fiat director assassinated on 7 September 1979) only incurred a repressive state reaction. Those who remained wanted to show somehow that the organization changed after the dissenters left it, so they pointed out that recent Prima Linea actions were being publicized on leaflets bearing the five-point star on the letters PL--a different symbol from others used in the past. The ex-members have formed a new organization, but they have not done anything yet or collaborated with other armed groups, except individually, like Roberto Sandalo. The split occurred in Turin, Bologna, Milan and, worst of all, in Brescia, where practically all the Prima Linea militants walked out. The same thing happened in the Veneto. The deserters talked about going into exile because they were fed up with the violence, and they planned a series of holdups that would net them the money they needed to live abroad. All this I learned directly from Sandalo and from information I had on the confrontation between the Red Brigades and Prima Linea, to which I shall refer later.

Among the Prima Linea deserters in Turin was Marco Donat Cattin, Prima Linea's top militant and member of the Turin command. It was Sandalo who told me about him. I know nothing about the murder of Alessandrini; the Prima Linea people never said anything about it to us. When we met them, they never even showed us their leaflets. The Red Brigades maintained contacts with Prima Linea--through Micaletto, at least for Turin; I don't know who the Prima Linea representatives were), but these contacts were often interrupted because the Prima Linea people failed to show up for appointments. When one of them did, Micaletto and he argued mostly about political matters, in fact only about political matters, and that is how it has been until now. They saw no way of agreeing on a mutual line, not to mention operational collaboration. In other words, the Red Brigades and Prima Linea had no common strategy, even though after the rift in Prima Linea, those who stayed with it adopted attitudes--or better, orientations--that satisfied us in the Red Brigades enough to determine a political rapprochement."

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CSO: 3104



## GREECE'S ENTRY INTO EEC SAID TO COMPLICATE MATTERS FOR ITS MEMBERS

Rome IL BORGHESE in Italian 18 Jan 81 p 157

[Article by Francesco Cavalletti]

[Text] Since New Year's Day a Greek commissioner has been seated among the 13 European commissioners, Greek representatives have come to swell the ranks of the 8,500 Brussels bureaucrats, and a sixth language -- Greek -- has added its weight to the existing Babeldom of the EEC translation service, which already costs more than a third of the Secretariat's budget. While these are the first institutional consequences of Greece's entry into the EEC, and while they will clearly slow down the already sluggish operations of the administration, the political and economic impact of this latest expansion of the Community have yet to be explored, and are already raising the most thoroughly justifiable concern. IL CORRIERE DELLA SERA styled Greece's entry into the EEC "a bet," and in fact it looks like a very perilous game of chance in which all concerned are caught up: the EEC, Italy, and Greece itself.

The current expansion to include Greece and the pending action with regard to Spain and Portugal are not, as might appear at first blush, a sign of vitality and of dyed-in-the-wool European expansionist euphoria, but rather the fruit of depressions and crises: on the one hand you have the Community, racked with stagnation and slowed by sclerosis, hoping to rediscover its youthful energies by broadening its base; and on the other you have the aspiring EEC members, incapable on their own of clambering out of the transitory economic squeeze, trusting that they can shed at least a little portion of their troubles onto the Community. All this portends further complications for the EEC and inevitably means misunderstandings and disappointments for the new members, along the lines of what happened when Great Britain was admitted.

Furthermore, Greece's entry comes at a particularly inopportune time for the EEC which, in addition to the difficulties that have become routine, is watching its main driving economy, Germany, beginning to lose steam and to weary of its "locomotive" role, while the [European] Parliament and Council cannot agree on the budget, which means that this year, like last year, will begin in the dark.

Of all EEC members, Italy is clearly most exposed to the damaging fall-out from "Operation Greece." Our government, in accepting and even pushing for expansion of the EEC, seems to have taken no notice whatsoever



either of the cutbacks in Community aid to us which will stem from it, nor of the damage accruing to several categories of our economy, particularly to the farmers who are under siege within the Common Market by competition from Greek products which cost less to produce than our own. There are those who would argue, on the government's behalf, that even though Italy will have to put up with some economic disadvantage, Italy, as a democratic and Mediterranean country, could not say no to Greece (any more than it can say no to Spain and Portugal) for political reasons, to strengthen democracy in Greece and help develop a common Mediterranean policy.

These are not what one might call persuasive arguments. The EEC is not the Holy Alliance, nor does it contemplate applying a "Brezhnev doctrine" of its own to its members. Should the colonels -- by some ill-starred turn of fate -- return to power in Athens, the EEC could do precisely nothing to prevent it. Actually, Greece's participation in the EEC carries with it a danger of the opposite sort: it is in fact quite possible, not to say probable, that the leftists -- a good 10 percent of whom are communists -- by exploiting the first and unavoidable damage of free European competition, threatening unemployment in Greek industry, will win the next election and will force Greece to withdraw, not only from the EEC, but from NATO as well, according to the programs we already know so well.

As for the Mediterranean, it is absolutely untrue that Greece's membership in the EEC would favor common policy for the area. "The quarrel between Greece and Turkey," as the INTERNATIONAL HERALD TRIBUNE correctly observes, "is about to become an EEC problem." Whereas until now the EEC, and Italy as well, could step forward in the dispute between Greece and Turkey as impartial arbiters, or at least as conciliators friendly with both parties, they can no longer do so; both are involved in the quarrel and at risk of offending Turkey, NATO's essential bulwark in the Mediterranean. Furthermore, with Greece inside, the Nine (now the Ten) will find it much harder to work out a common policy for the Middle East, because the Athens government does not have normal relations with Israel and its intervention in Community debates may well force an anti-Israel tilt on the suggestions the EEC is to make for getting beyond the Camp David agreements.

The list of reasons why Greece's joining the EEC gives rise to bewilderment does not end here. However, what is done is done; those among us who will suffer harm economically have no choice but to resort to temporary measures to limit the damage, while hoping that the government will display greater prudence in future. As for the further expansion of the Community, the French government had quite properly voiced its reservations, but the Italian government ignored them and went on to offer enthusiastic support for the proposed admission of Spain and Portugal as well. Perhaps somebody, after this experience with Greece, may have some second thoughts.

The Italian government must be persuaded that it is not in Italy's interest nor in that of the Europeanist cause to have a Community that is

broaden, if you will, but more watered-down, more inefficient, more quarrelsome, and more impoverished. You do not make the banquet richer by putting more chairs round the table. If we continue along this road, we shall inevitably arrive at what is called the "two-speed Community," which will no longer be a Community at all, but -- at the very most -- a free trade zone.

6182

CSO: 3104

**TRADE RELATIONS BETWEEN ITALY, ARGENTINA**

Rome IL FIORINO in Italian 27 Jan 81 p 10

[Article headed: "We're Betting on Chemicals To Win the Argentine Market."]

[Text] The total volume of trade between Italy and Argentina over the past decade has had its ups and downs, with a steady downward trend from 1970 through 1972, a sharp improvement in 1973 and 74 (52 and 101 percent, respectively, over 1972), yet another drop in 1975, and steady recovery since 1976. That was the big picture, as drawn by Dr Pasquale Pugliese, who heads the Foreign Trade Institute (ICE) office in Buenos Aires, in his report to the ICE convention on the progress of trade with Argentina, entitled "The Argentine Economy Today." In 1974 the total value of two-way trade topped \$800 million, and in 1979 it passed the billion-dollar mark with a gain of 34 percent.

The bottom line of the balance of trade over the decade in question has, however, stuck stubbornly in the red for Italy. In 1980, considering our purchases of farm products harvested in the second half of the year as well as preliminary data for the first half-year, which show a trend toward restored balance, we get a prediction that the year will end with a much higher figure for volume than that for 1979, and with a smaller deficit.

There is no question but that Italy holds a preeminent place among Argentina's trade partners: in 1979, it was third among buyers of Argentine goods, for \$617 million, or 7.9 percent of all Argentina's exports, second only to Brazil and The Netherlands, up from fourth place in 1978. As a supplying country, too, it is right up there near the top, having sold more than \$400 million worth of products to Argentina in 1979 (5.6 percent of that country's total imports), thus moving into fourth place behind the United States, Brazil, and the FRG, having overtaken Japan in 1978.

**Imports**

Italian imports from Argentina in the Seventies doubled in value. The peak came in 1974, only to be topped in turn in 1978; however, while our buys in Argentina in 1974 had accounted for 14.1 percent of all Argentine foreign sales, they accounted for only 7.9 percent in 1979.

When we look at the composition of our imports, we see that they are fairly inelastic -- almost stable -- consisting of only three or four products (corn, wheat, oil-bearing seeds, and meat), which account for more than 50 percent of our annual purchases in Argentina. If we add to these meat by-products and other foodstuffs such as honey and beans, we find that better than 65 percent of our imports from Argentina concentrate on a few food products, the demand for which is fairly inflexible.

Corn is the biggest item among our purchases, which of recent years have shown a downward trend from 1976's \$200 million -- a figure never reached before -- to \$178 million in 1977, \$156 million in 1978, and \$154 million in 1979. Corn alone, while it accounted for 54 percent of our purchases in 1976, had declined to 25 percent by 1979. The steady decline in corn buys is attributable to the steep rise in local prices by comparison with those on other world markets. Grain shipments, while remaining high, have also declined from \$43 million in 1975, for 14 percent of the total, to \$34 million in 1979, which accounted for only 5.6 percent of the total.

Purchases of soybeans, however, have climbed steeply to better than \$100 million in 1979 as against \$55 million in 1978 and \$25 million in 1977.

Argentine beef, of which we might have bought much more were it not for Community ceilings, still holds a major place among our imports: it cost us \$35 million in 1979, up almost 100 percent over 1978. Other food products hit respectable levels in 1979: prepared foods and canned goods came to \$9 million, frozen beef tongues to around \$7 million, frozen beef to around \$5 million, and meat extracts to around \$4 million.

Still in the food sector, a considerable amount was spent on other products such as beans, \$12 million worth in 1979, peanut oil (\$6 million), shelled peanuts (\$5 million)). If we lump imports of the items listed here, all of which fall into the general category of "foodstuffs," we get a figure that exceeds 65 percent of our total purchases in Argentina.

## Exports

Italian exports to Argentina over the Seventies held fairly firm at around \$100 and \$200 million annually; only in 1974 did they hit \$201 million, dropping off again in 1975 to \$184 million and again to \$153 million in 1976, then climbing back to \$188 million in 1977.

When Argentina opened up its markets to imports in 1977 there was a swift response from Italy in 1978, when our exports totalled \$295 million, for an increase of around 57 percent over the previous year.

This increase needs careful looking at, both as the result of a wisely managed campaign of solid capillary penetration by the Italian dealers and as a reflection of the Argentinian preference for Italian products:

actually the 57-percent increase chalked up in 1978 coincided with an overall 8-percent decline in total Argentine imports from the previous year's levels, down from \$4.161 billion in 1977 to \$3.833 billion in 1978, with sharp drops in imports from the countries which are Argentina's other major trading partners: The United States (- 10%), Brazil (- 8%), Japan (-28%) and France (- 25%).

The inroads made in Argentina by Italian products have continued in 1979 with a 38-percent gain over 1978 for a total of \$388 million in sales and an increase of 115 percent over 1977.

In 1980, whatever you make of the preliminary estimates for the first two quarters, there is reason to believe that Italian exports will continue to grow and will touch \$600 million, passing the previous year's record by better than 50 percent.

Analyzing the data on our sales to Argentina in 1978, we see at once that some 50 percent of the total consists of capital goods covered by categories 73-87 -- half of them under category 84 alone: 17 percent fall into cat. 89, shipping, 5 percent was for petroleum derivatives, 5 percent chemicals and chemical compounds, leaving only 23 percent for all other products.

In 1979, as Argentina's trade liberalization policy continued, along with a decline in tariff rates, the share of capital goods under cats. 74 to 87 declined, supplies of shipping tapered off to a figure less than 2 percent of our exports, deliveries of petroleum products upped their share to 12 percent, while chemicals and compounds edged up to 6 percent and other products accounted for a good 40 percent. In short, in 1979 we saw our exports fully diversified, adding to capital and intermediate goods a solid layer of consumer goods, which could never have been sold there in the totally closed market of only 3 years ago.

#### **Worrisome Decline**

Machine tools for metalworking, which had fallen off from the \$8.3 million mark set in 1978 to \$6.9 million in 1979 (- 17%), climbed back up to \$8.7 million in first-half 1980, and the forecasts say that will double very shortly, and improve even further over the next few years.

Textile machinery sold to Argentina over 1979, valued at \$14.6 million, showed an increase of more than 100 percent over the 1978 figure, which was just a shade over \$7 million.

Woodworking machine tools, covered by category 84.47, chalked up \$1 million in sales in 1978, \$4.3 million in 1979, and \$4.7 million in the first half of 1980 alone. The market looks fairly strong and healthily active, and the outlook for the immediate future, say the prognosticators, is good.



Miscellaneous machinery and equipment (item 84.59), particularly that for processing plastics, rubber, and tires, brought in about \$9 million in 1978, declined to \$7 million in 1979, and showed a marked and promising recovery in the first half of 1980, with sales of \$10.7 million, up by 11 percent over all of 1978 and by 67 percent over all of 1979. The sector looks promising in general, but particularly so for anything having to do with the plastics industry. Electric wiring equipment (item 85-19) totalled \$4.4 million in 1978 and \$3 million in the first half of 1980. The outlook is fairly encouraging all round, partly because of the exuberant activity going on sector-wide.

Tractor exports to Argentina touched \$3.9 million in 1978, more than tripled that figure in 1980 with \$13.7 million, and have held that edge over the first half of 1980, with \$5 million.

The forecast is not very rosy, however, since, even with all four Argentine tractor plants completely shut down, sales have fallen off because of hard times in agribusinesses which, owing to increased costs and discouraging prices, have insufficient cash on hand to replace their equipment. This situation affects all farm machinery, and the outlook here, at least, is disheartening.

Import quotas on automobiles were liberalized at the beginning of 1979 and over the course of that year \$6.6 million worth of Italian-built cars were sold. Sales have continued to do fairly well over the first 6 months of 1980, with \$5 million. Sales of replacement and spare parts and accessories for tractors and automobiles brought in \$14.4 million in 1978, \$16.3 million in 1979, and \$8.8 million in first-half 1980, with fairly promising forecasts for the future.

Moving on to the semi-finished commodities sector, it should be noted that the biggest item among our products gaining acceptance in Argentina belongs to plastics and chemicals. However, while there is very marked variation from year to year in chemicals, the market for plastics is steady, and products listed under item 39.02 reported \$5 million in sales for 1978, and \$15 million in 1979 -- triple that of the previous year -- and maintained that position in the first half of 1980 with around \$7 million, or half that of the entire preceding year. The specific products showing gains in 1979 were liquid polypropylene (\$7.2 million) and high-density polyethylene (\$3.8 million). The plastic materials market in any case is steady and promising, partly in response to the predicted growth of the industry, which for several years has been showing signs of greater liveliness. In any event, we are witnessing the complete diversification of our sales on the Argentine market, owing to its complete opening to include consumer goods in 1979. In that year, in fact, everything from textiles to toys, from furniture to appliances, from tiles to lighting fixtures sold well in a pattern of capillary penetration which, while they encountered little competition thanks to competitive prices and novelty, also responded to the specific needs of the customer who, after years of doing without, could at last give himself free rein to buy foreign products. In 1978, Argentina imported more than \$2.5 million worth of flooring and wall tile, a figure which was doubled in 1979 and will probably top \$15 million in 1980, with \$7.4 million already rung up in the first 6 months alone.

## COMMUNISTS CALL FOR ACTION IN CHEMICAL SECTOR CRISIS

Rome L'UNITA in Italian 3 Feb 81 p 6

[Article by G.F. Borghini]

[Text] Montedison must not be another SIl. Chemical industry must restructure from the ground up, get its finances back in shape, find new sources for capital. New balance between private and public sector must be struck.

What has already happened at FIAT is happening again at Montedison: the real problem is not so much -- or not only -- one of "redundant" manpower as it is the fate of a major industrial group and of the entire sector in which it operates. There is, in short, a very close connection between what is happening at Montedison and the future of Italy's chemical industry (particularly in its semi-processed and end-product portions), which must be thoroughly understood by the workers, the government, and the general public. Upon the way we settle this issue today will depend, to a very great extent, our chances of keeping a chemical industry in Italy -- not one of the most advanced, to be sure, but respectable for all that -- and of turning around the disastrous tendency to downgrade it which has been gaining ground for years now, with the guilty complicity of the government.

Let's get it straight: we communists do not cherish over-many illusions on this score. We are not given to daydreaming, nor are we out to con the workers. We see quite clearly that our chemical industry has lost a lot of ground and that winning it back is going to take a lot of time and a lot of work. But simply because we have already come perilously close to the point of no return, we intend to fight as hard as ever we can to keep it from slipping over that threshold, beyond which the fate of the Italian chemical industry would be irrevocably sealed. We don't know whether or not there is somebody hidden away inside the companies, in the political parties, or in the government who has already written it off -- or, if there is, whether he has done so out of ignorance, out of a lack of patriotic concern, or indeed out of allegiance to foreign economic interests (as happened with ENI after Mattei's death and with the CNEN after Ippolito was gone). We do know, though, that the government's program contains no active

industrial policy for the chemical industry that would stimulate its modernization and growth. The program calls merely for more of the same tired-blood management we have now, and for an expensive bureaucracy to preside over its decline. This is an unacceptable policy, one at odds with the interests of the workers and of the nation, and therefore one which must be fought out in the open.

If the Italian chemical industry is not to be edged out of the world markets once and for all, it must be restructured from the ground up. The dead-weight of basic production is already excessive, while the intermediate and end-product output is scarcely significant. The only thing to do therefore is to trim down basic production and begin the requisite process of mergers (not only in the public sector, but between the public and private sectors as well), to boost intermediate production to the utmost and, insofar as feasible, increase finished production as well. This transformation is not going to come to pass spontaneously: the planners must stimulate and guide it. It cries out, in fact, for an effort at innovation, for a meaningful quest for sizable investments. It also calls for active support for internationalization of our great chemical corporations, and none of this can come about without a development policy and an adequate foreign policy.

The governments that have come and gone over the past 2 years have done none of this, and this sad fact is the root cause for the fearsome aggravation of the crisis in our chemical industry. We have watched the death-throes of the still-paralyzed SIR, the mysteriously shrouded business of Liquichimica, and the gradual decay of ANIC. Today it is Montedison's turn. One thing needs saying now, loud and clear: there must be no repetition at Montedison of what happened to SIR. The collapse of that group would inevitably bring down with it the whole of our chemical industry and, insofar as it lies within our power, we are going to see that it does not happen.

To prevent its crisis' becoming irreversible Montedison must be restructured and concentrate its own resources and its own energies in chemicals and, in particular, in the intermediate domain, by drawing up an adequate strategic plan. If there is still a chance left for Italy to make its presence felt in this field, that chance is riding almost entirely on Montedison's getting a fresh start.

This is why we believe that the problem of restoring this group to financial health and infusing new capital into it must be faced with great decision and determination, before it is too late. We have no quarrel with the fact that private capital must be called into play for this emergency. If there is any out there, let it come in. We do believe, though, that in view of the manifest shortage of private capital, it is up to the public shareholder to cope, at least for the short term. If, as we believe it will, this should become inevitable, it is altogether clear that it could not fail to lead as well to some shift, some readjustment in the private-to-public balance within the group. What we must avoid, come what may, is wasting time going down the same old roads again, letting the creeping process of gradual public absorption of losses and private absorption of profits start all over again.



That process, besides steadily worsening Montedison's industrial structure, will not absolve the state, sooner or later, from its obligation to mount a colossal rescue operation. It merely postpones the evil day, while rendering it more costly and less profitable to the nation. This is why government must move, and move with speed and clarity.

To give Montedison its new start we must proceed to practical implementation of the national chemical plan, gear up industrial tools adequate to support the restructuring and reconversion of the entire Italian chemical industry, revive and expand research, and encourage the internationalization process among our major groups.

All these things must assuredly be done. Unfortunately, though, they are no longer enough. Chemicals must be given adequate financial resources, and that will include, among other things, recapitalizing Montedison. This is a knotty problem, no question about it: and it must be solved not only in the interests of the workers, but, we repeat, in the national interest. Bisaglia's fall coupled with the expressed determination of De Michelis offer some hope that government is at last inclined to alter the policy it has thus far pursued in the chemical field. We hope so. In any case, we shall do everything within our power to bring new directions into this as into other fields, and to see to it that they emerge -- not merely in documents, but in the day-to-day behavior of government.

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CSO: 3104

## REORGANIZATION OF AIR INDUSTRY GROUP 'AGUSTA'

Rome AVIAZIONE in Italian Feb 81 pp 51-52

[Article by Igino Coggi: "The New Appearance of Agusta -- Two Holding Companies and Three Divisions"]

[Text] Milan--A communique from the Agusta Group states: "The reality of the Agusta Group takes shape in the field of Italy's air industry (40,000 employees, 1,100 billion [lire] in turnover and 500 billion in exports in 1979. ... About a fourth of the employees, a little less than half of the national turnover and over two-thirds of the exports are the quantitative and qualitative 'weight' of Agusta in comparison with the entire national air industry. "Today, the Agusta Group is reorganizing, with a view to Law 904 (the "Pandolfi Law") on the revaluation of the sources of income of business establishments, also in order to cope with a development that Pietro Fascione, vice president of Agusta SpA (Agusta Limited) has described as "macroscopic."

The official announcement was made on Thursday evening 8 January, in a convivial meeting in the Milan Press Club. The reorganization had been approved 2 days earlier in the meeting of the boards of directors appointed in the 2 January assemblies. But it is not something that came into being today. The idea started to take shape in 1974 and "developed in these years," Fascione told the newsmen present. Although the operations activities are disincorporated by taking advantage of Law 904 with the establishment of two holding companies, it is also true that the process of reorganization of the entire industrial complex also aims at other objectives and at coping with situations certainly not imaginable when, almost 30 years ago, Bell made contact, under the sponsorship of the late lamented Leone Concato, it is said, with a "certain" Giovanni Agusta Aircraft Building Company in Cascina Costa, alongside the Malpensa Airport. The possibility that the "macroscopic" growth in one single sector might have in it the seeds of an exploding crisis at the slightest flexure of the sector itself seems to be at the origin of the Agusta's decision to diversify its own activities by starting to explore "fields" not connected with aviation or tied to the cells in which the highest degree of aviation technology should be channeled. Like composites or solar energy using rotor technology, while in the meantime SISDA (Italian Training Systems Company) with joint participation by Agusta, Aeritalia and Elettronica (for maintenance of aviation simulators for fixed wing and rotary wing aircraft) is in process of establishment at present.

The reorganization process is witnessing the disincorporation of activities into two holding companies, Agusta Limited and SIAI Marchetti Limited with a capital of 10 billion lire and 2 billion lire, respectively. The first-mentioned company has the operational structures, while it is not impossible that the second-mentioned company will merge into the first one sooner or later. The Agusta Limited holding company (51 percent EFIM [Manufacturing Industry Holding and Financial Company], 49 percent Agusta) has Corrado Agusta as president, while Engineer Pietro Fascione and Dr Ermenegildo Marelli, are vice presidents. Fascione has the same powers as the president. The finance and auditing section is assigned temporarily to Marelli. The development and organization section is headed by Engineer Arnaldo Antichi, from Florence, in Agusta since 1974, formerly general manager of Giovanni Agusta Aircraft Building Company.

Other "innovations" in organization come under Agusta Limited: three operational divisions (helicopters, aircraft, miscellaneous activities), each of which groups companies with Agusta participation for the specific sector of interest. Corrado Agusta and Fascione are, in their turn, president and vice president of the divisions, the persons directly in charge, of which, as Agusta says, they assume "operational responsibility for the companies included in the divisions themselves." The leading company of the helicopter division is the Giovanni Agusta Aircraft Building Company (capital 120 billion). Its managing director and general manager is Engineer Giorgio Brazzelli. In addition to the Giovanni Agusta Aircraft Building Company, the division also includes Southern Helicopters, Agusta Aviation Corporation and European Helicopter Industries (EHI), the Agusta-Westland Company (fifty-fifty) for the EH-101 helicopter (see AVIAZIONE, No 147, on the EHI). Brazzelli is also managing director of Southern Helicopters in Grosseto, whose general manager is still Engineer Piero Tana, and also director in Agusta Aviation Corporation, the Houston Company, which handles Agusta's interests on the United States civil aviation market and which has Thomas Turner, a United States citizen, as president. For the interests represented in it by Agusta, in EHI whose new general manager is former Royal Air Force officer David Saunders Davies, former manager of other aircraft companies, with Arnaldo Antichi as chairman of the executive committee.

For the aircraft division, the leading company is SIAI Marchetti (capital 45 billion), which has Engineer Corrado Camposampiero as its managing director and general manager. Camposampiero, who together with Brazzelli is a member of the Agusta Limited holding company, takes on the post of managing director also of the other company included in the aircraft division, that is to say IAM in Brindisi whose general manager continues to be Engineer Mario Sala and whose new plant will be completed this year.

The person in charge of the miscellaneous activities division is still to be designated and these duties are performed temporarily by Fascione himself. The division includes SISDA in process of establishment, Agusta International in Brussels with Luciano Masseroni as general manager and FOM in Benevento, a company operating in the metallurgical sector created by joint participation, on a 60 percent-40 percent basis, by Agusta and Anadyne, an American company under Texas Bronze.

Almost on the eve of the 8 January meeting in Milan, rumors circulated on a possible transfer of Agusta from the EFIM to the IRI [Italian Reconstruction Institute] with regard to the proposals put forth by the minister of State Participations, De Michelis. In Rome, we asked Engineer Antichi for an opinion in this connection. "It is

not up to me to answer," Antichi told us. "As a professional man, I am obliged to produce results regardless of the composition of who holds the stock."

In 1979, the closing financial statement of the Agusta Group showed a profit of 5.6 billion lire, before an allocation of 21 billion for depreciation and the turnover exceeded 430 billion with 40 percent more in comparison with the same item for 1970. Eighty-two percent of the production went outside Italy, while production recorded a 34-percent increase, in spite of the penalizations owing to labor union conflicts. In the same period, the number of personnel increased by 317, bringing the total number of persons depending on Agusta to 9,201, as of 31 December 1979. Still in 1979, the group made investments amounting to almost 23.5 billion, a good part of which were for new plants and for improvement of existing plants. The 1980 financial statement, which will be examined by the partners this coming May, shows signs of a turnover and economic data not very different from 1979. Some positive results, although expected, did not materialize, primarily because of the international situation that led to a closing of the Iranian market.

Until recently, the Italian domestic market and the Iranian market were the leading markets of the Agusta Group in the field of rotary wing aircraft. Now the situation is changing sharply and new marketing strategies are being tackled with a view to "capturing" other markets by means of an out-and-out diversification also in the commercial sector. A sign comes from the rapid expansion of countries buying the CH-47C Chinook manufactured by Agusta. Egypt and Tanzania are being added to the list, in addition to a second order from Morocco, while recently a contract was concluded with the Greek Army for 10 CH-47C (around a total of 90 billion) to be delivered starting in May-June of this year.

But the market strategy must also take a real situation into account. The world helicopter market, predominantly military up to now, is rapidly becoming civilian. While the military market should soon reach partial saturation, once the processes of modernization of flight equipment and purchases by "new" nations have ended, the civilian market, enormous and to a considerable extent still virgin, is entirely to be won. Although American marketing studies already anticipate a fifty-fifty split of the market between civilian and military within a very few years, the trend in the years up to the year 2000 will show a definite trend inversion with civilian machines predominating over military. It is the phenomenon that has already occurred with regard to the fixed wing and of which a company operating in the field of the rotary wing cannot take into account, in order not to risk being left out. In the Agusta Group, an eye is kept on the phenomenon ("in the next 10 years, at least 40 percent of the market will be civilian," Antichi states) and, for the present, the essential part of Agusta's civilian market strategies is represented by the A-109 and by the commercial versions of the EH-101. And eyes are naturally turned toward exports. In 1975, 60 percent of Agusta's production was exported. Now it amounts to over 80 percent.

## Posts Within the Agusta Group

### Agusta Limited:

President	Corrado Agusta
Vice Presidents	Pietro Fascione
	Ermenegildo Marelli
Development and Organization	Arnaldo Antichi
Finance and Auditing	Ermenegildo Marelli (temporary)
Helicopter Division	Giorgio Brazzelli
Aircraft Division	Corrado Camposampiero
Miscellaneous Activities Division	Pietro Fascione (temporary)

### Companies in the Helicopter Division:

Giovanni Agusta Aircraft Building Company	Managing Director	Giorgio Brazzelli
	General Manager	Giorgio Brazzelli
Southern Helicopters	Managing Director	Giorgio Brazzelli
	General Manager	Piero Tana
Agusta Aviation Corporation	Members, Board of Directors	Giorgio Brazzelli
	President	Arnaldo Antichi
	Chairman, Executive Committee	Thomas Turner
EH Industries	General Manager	David Saunders Davies

### Companies in the Aircraft Division:

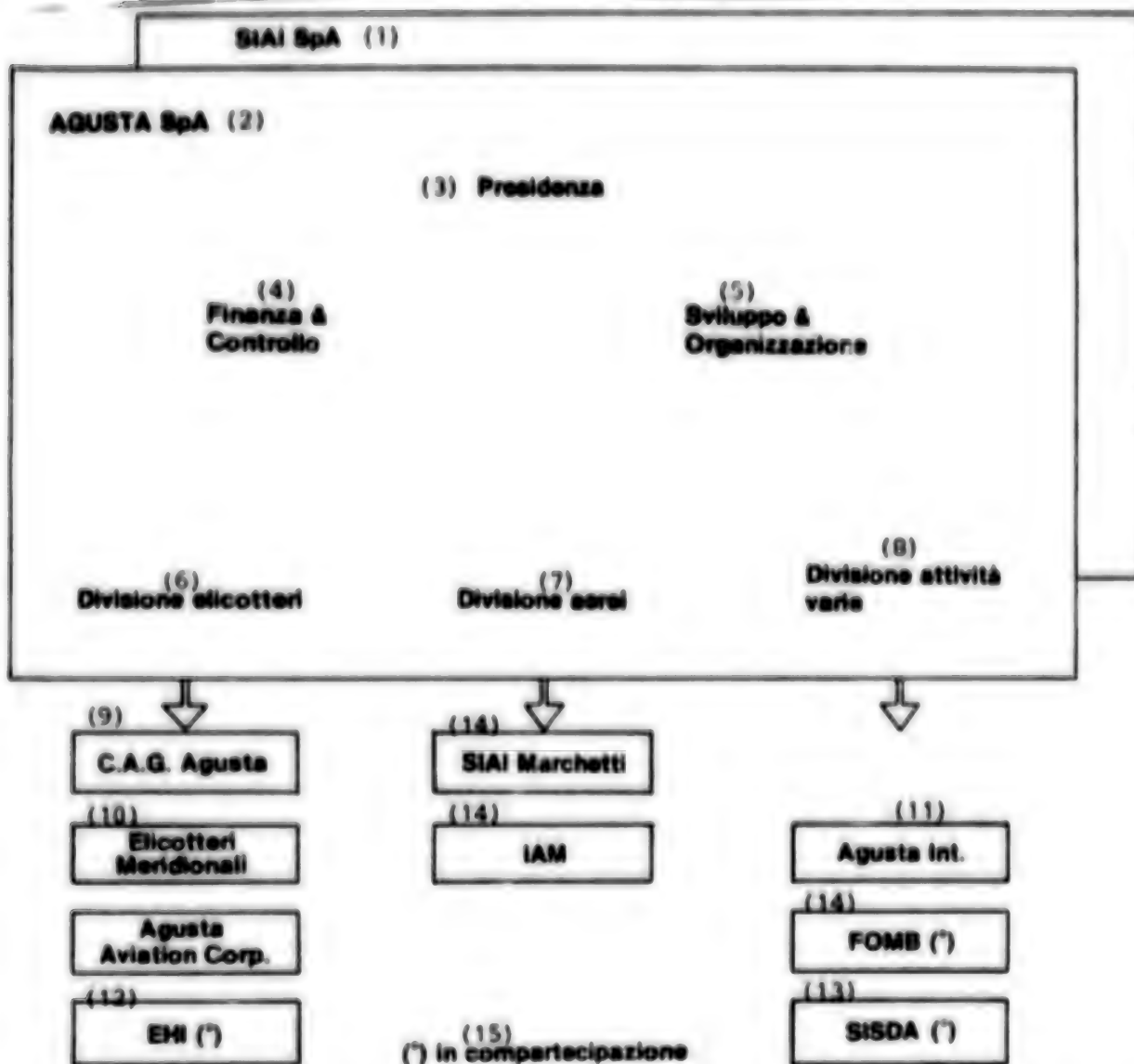
SIAI Marchetti	Managing Director	Corrado Camposampiero
	General Manager	Corrado Camposampiero
IAN	Managing Director	Corrado Camposampiero
	General Manager	Mario Sala

### Companies in the Miscellaneous Activities Division:

Agusta International	Managing Director	Pietro Fascione
	General Manager	Luciano Masseroni
FOCB	President	Pietro Fascione
	General Manager	Renato Adinolfi
SISDA	In process of establishment	



[Organization Chart]



Key: 1. SIAI [expansion unknown] Limited; 2. Agusta Limited; 3. presidency; 4. finance and auditing; 5. development and organization; 6. helicopter division; 7. aircraft division; 8. miscellaneous activities division; 9. Giovanni Agusta Aircraft Building Company; 10. Southern Helicopters; 11. Agusta International; 12. European Helicopter Industries; 13. Italian Training Systems Company; 14. expansion unknown; 15. in joint participation.

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**EDEK PARTY LEADER LYSSARIDIS DISCUSSES REGIONAL, INTERNATIONAL AFFAIRS****Kuwait AL-QABAS in Arabic 12 Jan 81 p 17**

[Interview of Dr Vassos Lyssaridis, Leader of EDEK in Cyprus, by Khalil al-Taqi in Damascus; Date of Interview Not Given]

[Text] Dr Vassos Lyssaridis, leader of EDEK in Cyprus who is in Damascus at the invitation of the nationalist command of the Ba'th Party, has condemned the attempt on the life of Hani al-Hindi, a former Syrian minister, which took place in the city of Limassol on the southwestern coast of Cyprus when his car was blown up. Al-Hindi was minister of planning in the cabinet formed by Salah al-Din al-Bitar on 9 March, 1963, following the success of the 8 March revolution. Dr Lyssaridis accused the Israeli intelligence, Mossad, of engineering that sordid crime which almost claimed the life of Hani al-Hindi, a Syrian thinker, writer and journalist.

The EDEK leader said that Israel used some of its agents to liquidate al-Hindi as part of a criminal masterplan to attempt to destroy the nationalist and progressive strategic reserve represented by Arab thinkers and leaders. He warned against Zionist plans designed to liquidate the Arabs' central problem, namely, the Palestine question and its leaders.

In a special interview with AL-QABAS, he said: "Israel, together with America, its circles and multinational economic branches, represent the region's main enemy. Zionism is one of the worst forms of racism--indeed, imperialism. Israel is not only the enemy of the Arab cause. It is not only the force which persecutes the Palestinian Arab people. It is also the enemy of the entire area because it enforces the plans of imperialist control in line with the expansionist designs of imperialism. The main struggle is between imperialism and Zionism, on the one hand, and the people who are fighting for their own real and unmistakable independence on the other."

With reference to the expected effects of Ronald Reagan's mentality on international issues, especially the Middle East problem, the Cypriot leader said: "Although I do not believe that there is any basic difference between American policymakers, yet we must expect a greater deterioration in the situation, because of Ronald Reagan who is an arrogant man steeped in reaction. We should not forget that his retinue includes people who are most reactionary and hold little regard for the progressive public opinion, such as Henry Kissinger and others. Therefore,

we should be prepared to face the possibility of an intensification in aggression, at least, because of the election of Ronald Reagan to the presidency of the United States. I believe that Reagan will prove that he is a bad choice, not only to the world public opinion but also the the United States itself."

### The Strife in Cyprus

After lauding the treaty of friendship and cooperation with Syria signed with the Soviet Union on 8 October, 1980, he turned to the situation in Cyprus. He said that the conflict between the Greek Cypriots and the Turkish Cypriots is not what imperialism and the forces associated with it are trying to depict. The conflict, in reality, is one between the Cypriot people as a whole and American imperialism which wants to turn Cyprus into a platform of imperialist aggression against the progressive Arab forces. Occupation is a tool of implementing such objectives, in the same manner in which Israel is used as a policeman for these designs in the Middle East. It is naive to believe that the United States and its tools will abandon those designs in good faith.

Dr Lyssaridis added: "Only when we make America's designs unattainable will we open the way to a just solution of the Cyprus problem. The talks that are going on nowadays are not between Greek Cypriots and Turkist Cypriots, but between Cyprus, Ankara and Washington. Therefore, hopes for the success of these negotiations are dim. The Cyprus general elections take place at a time when the internal situation is very bad. America's candidates have different political points of view in Cyprus. They are trying to persuade the Cypriot people that there is a solution, in order to mislead the people and win votes. In fact, they have accepted capitulation and accepted occupation in the same manner in which Sadat had accepted them, that is by using a bogus reality to corroborate his acceptance of a settlement.

"By so doing, they are trying their best to stunt the resistance of the national forces, led by EDEK, against the plans of imperialism. I would not be surprised if Rauf Denktash, the leader of the Turkish community, made people believe that a settlement of the Famagusta problem is possible, in order to turn the refugees against us. But the battle of Cyprus will continue, the forces of resistance will grow and the designs of imperialism will collapse. No one party will be able to get an absolute majority in the parliament. This would weaken the new president. No one can also predict the result of elections in terms of percentages, because there are a lot of floating votes and because new parties have been formed with the aim of weakening the national progressive parties.

"However, I believe that we will be very lucky in our electoral struggle and our bid to prove that it is impossible to ignore the national and progressive forces, led by EDEK, in any possible settlement of the Cyprus issue."

### Arab-Cypriot Relations

Dr Lyssaridis ended his statements to AL-QABAS by talking about the Arab-Cypriot relations. He said that these relations have always been very close and that the late President Makarios was the one who established the firm foundations of that



friendship and brotherhood that will live forever. He added: "These relations are not based on friendship and neighborhood alone, but also include common objectives and hopes, a common struggle and similar enemies. This is especially true with regard to the Cypriot-Syrian relationship and the relationship between Cyprus and the Palestinian revolution led by the PLO. This is a brotherly relationship and will continue to be so, for this is the only way in which our joint struggle can succeed.

"We all know that we face major difficulties, but we also believe that by our joint efforts and our refusal to submit to Zionism and imperialism we will ultimately manage to liberate the occupied Arab territories and bring about the return of the Palestinian Arab people to their land and homes. We offer ourselves to the progressive Arab forces as fighting soldiers and brethren who are linked with them by a common fate."

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CSO: 4902

## KEKKONEN INTERVIEWED ON VIABILITY OF HELSINKI ACCORDS

LD241327 Moscow IZVESTIYA in Russian 20 Feb 81 Morning Edition p 2

[Interview with Finnish President U.K. Kekkonen by L.N. Tolkunov: "Detente--In the Peoples' Interests"--first paragraph is editorial introduction]

[Text] Finnish President U.K. Kekkonen gave an interview to L.N. Tolkunov, chairman of the APN Board, who was in Finland. The text of the interview is published below.

[Question] You have more than once described yourself as an optimist. How do you assess the international situation at the start of the new decade and the prospects for detente in particular?

[Answer] I have always been and remain a realistically minded optimist. However, it must be admitted that recent international development gives much cause for concern. This is associated with the increasingly complex situation in world politics and in particular with the whipping up of the arms race. But we must not lose faith that the continuation of detente is the course most in accordance with the peoples' interests.

[Question] Do you continue to believe, in present-day conditions, in the efficacy of the Helsinki Accords, and what, in your opinion, is their influence on the international situation today?

[Answer] Yes, I still do. We in Finland think that the final act of the Helsinki conference substantially consolidated the political situation in Europe and also increased the security of all the continent's states. This was such an outstanding achievement that, it seems to me, it will hardly lose its significance through the vacillations of the international climate. Moreover the all-European conference should also be regarded as the starting point for the process of long-term cooperation for which Helsinki outlined the directions of development for decades to come.

[Question] What do you regard as necessary for the successful completion of the Madrid conference?

[Answer] In order to ensure real success at the Madrid meeting it must adopt concrete measures on the implementation of the final act's provisions, as well as measures ensuring the continuation of cooperation. It is particularly necessary to ensure--through the efforts of all sides--the start of a new process in the movement toward disarmament in Europe.

[Question] What is the most important trend in northern Europe at present? What significance does this have for our continent and for the world as a whole?

[Answer] It is important that peaceful conditions and stability should persist in northern Europe in the future. Such prevailing conditions traditionally promote the security of our entire continent. It seems to me that the northern countries can also continue to participate constructively in the quest for solutions to many global problems. Here I have in mind, in particular, the developing countries' problems and the efforts to create a new international economic order.

[Question] How do you assess the significance of summit meetings and the potential of the personal factor in world politics in general?

[Answer] A characteristic feature of the day is the growing significance of personal contacts in international relations. Summit meetings are particularly important because they enable the peoples' top leaders to discuss frankly, in a confidential atmosphere, even the most complex questions.

In relations between Finland and the Soviet Union regular meetings between the two countries' state leaders have become established as an important, useful tradition.

[Question] The term "Finlandization" is still frequently used in the Western press. What do the Finns and you personally think about that?

[Answer] The way in which the concept of "Finlandization" has been used recently indicates the ignorance of those who use the term about our country's real situation. Finns are offended by the fact that the Western press seeks to use this term to create a false picture of Soviet-Finnish relations and also to use it as a weapon in issues which have nothing to do with us.

[Question] How would you describe, in brief, the established traditions of Soviet-Finnish relations? Are they, in your opinion, of any interest for other countries?

[Answer] The growth in mutual trust over the decades has created many good traditions in our relations. Thus it has become possible to continue to extend our mutual ties and further improve their forms.

I have observed that foreigners visiting our country are particularly interested in Finland's relations with the Soviet Union. We are not about to foist our "model" on anyone, but of course we are always pleased to talk about our positive experience.

CSO: 1800

## EFFECT OF MARCHAIS' CANDIDACY ON PCF

## Election Strategy

Paris LE POINT in French 23 Feb-1 Mar 81 pp 34-37

[Article by Denis Jeambar: "Marchais: The Plots..."]

[Text] Just where does Georges Marchais want to lead the Communist Party [PCF]? This political mystery and the mysteries connected with the PCF secretary general's past are rattling his troops. The faithful are closing ranks. But plots are starting to be hatched. Scores will be settled soon after the election.

What planet does Georges Marchais come from? Admittedly, the secret offices of the PCF leadership have rarely been full of lucidity and clarity. But perhaps never before in its history, however troubled that history has been, have the behavior of the party and of its secretary general appeared so disconcerting and daredevilish. How in fact is one to make out a consistent political line in a party and a leadership which keeps coming out with more provocations and keeps battering away? Every week, or pretty close to it, the tangled communist web gets more complicated, to the point where one hardly knows which thread to draw on in order to find a coherent explanation for the immense political net which George Marchais is throwing out over his opponents from all sides so as to neutralize them.

Here we have a man of the left who describes himself as the only anti-Jiscard candidate but who, in his attacks on the right, seems to want only to destroy his ally of yesterday, the PS. When he took on government immigration policy he immediately brought the nationalism shown by the socialists in Algeria during the 1950's out of his bag of memories. When he opened up the issue of drugs in France he laid into the socialist mayor of Villeurbanne, Charles Hernu. When he had the Channel 2/Europe 1 broadcast on youth at the Palace disrupted, he used it to settle a score with Edmond Maire, the leader of the CFTD [French Democratic Confederation of Labor].

But there are even stranger things. After having showered the socialists with insults, here he is not just expressing the desire but demanding that communist ministers be part of any government Francois Mitterrand might form. This is the first political mystery to be cleared up, and the results of the presidential election depend on it to a very great extent.



A second mystery has to do with the communist candidate's very personality, whose harshness and cynicism are by their nature a departure from standard communist orthodoxy. Is this recklessness? Is this the ill-controlled euphoria of a party chief who is intoxicated by his power and by his personality cult? From him one gets the feeling of knowing everything. His televised shows have made a star out of him, a star who regularly comes to sit down at French dinner tables (and scare people, amuse them, or win them over depending on the political camp and viewpoint of the dinner guests). He is setting audience records in the area of political broadcasts. And yet what one communist calls the secretary general's "primeval mystery" hangs over him: what was he doing between 1940 and 1947? Seven years of his life are a huge blank in his official biography, revised not long ago by somebody important in the Languedoc communist party who is still very much in favor.

For a candidate for president of the republic this is not a trifling matter. Neither is it for the party, whose image is inseparable from that of its secretary general because of the personalization of power and the traditions of the PCF. It is impossible to touch its head, as it were, without its body reacting. There is total solidarity around the lord of the fortress, at least apparently, for any infection of the organism causes antibodies to appear. And these mysteries, Marchais's current policy and his past, are triggering reactions in the PCF which are taking the form of implicit or organized plots. One can count three of them nowadays. They are not all of the same importance, they are not all at the same stage of development, and perhaps they will not all come to a head. But they are all aimed at putting a stop to the line imposed on the PCF by George Marchais.

#### The Plot at the Top

This one is unquestionably the most difficult one to get out in the open. In fact, the PCF's leadership (the secretariat, which has seven members, and the political bureau, which has 21) as seen from the outside is as one and monolithic. It will be increasingly so for appearances' sake in the weeks to come. Failure to support candidate Marchais is not permitted. Even more than that, everyone must get on his hobbyhorses: on immigration, drugs, and the Channel 2/Europe 1 affair no conflicting opinions among the 21 PCF big shots are to be heard. Under attacks and criticisms unity and solidarity will appear even greater.

However, there is discord. They keep it in the recesses of their minds of course, but also it already takes the form of private conversations about the need to replace Georges Marchais in the party leadership during the months following the presidential election. Without giving any name, for it would be immediately denied, let us say that this conspiracy is linked with bets being placed on a man who for several months has been rising up in the party. Certain persons who were very close to Georges Marchais are taking an active part in this venture.

What is its chance of succeeding? At that kind of level things become downright Machiavellian. Marchais could well allow his potential rival to emerge, all the better to compromise him and therefore tie his hands. Then again, all will depend on the communist candidate's tally the night of the first round of voting.

## The Plot of the Disillusioned

Anyway, if this conspiracy at the top were to succeed, everything would be done smoothly, without any big sensation, and without a sudden change in party line: the men who are taking part in it still favor the current strategy while recommending more flexibility, particularly in the alliance with the PS. On the other hand, this second plot is more devastating. It is the work of former party members but also of militants discouraged by the leadership's present methods and by what they call "The Marchais Gang." Their tactics would have a radical effect: to knock the secretary general down in such a way that all the other "pins" topple with him. And there are a great number of "pins": as deceit has accumulated, the number of "accomplices" has multiplied.

The way they would do this is to reveal the truth about the party secretary general's past. A political file is in fact being prepared to cast light on Georges Marchais's life from 1943 to 1947. Regarding the earlier period (which is a little better known), LE POINT did some more investigating and the dossier it is publishing reveals the points on which Georges Marchais has misrepresented the facts of the period between 1940 and 1943. This journalistic investigation, underway for nearly a year, leaves 4 years of Georges Marchais's life unexplained for the time being, four years about which two hypotheses have been formed, within the party itself: 1) Marchais, some say, was in Germany; and 2) Marchais, others maintain, was in France, and he did black marketeering. Roland Leroy very recently stated in private: "As long as they are searching in Germany, there is nothing to be afraid of." What is there really in all this? If this second plot comes to a head, it is likely to be unveiled before the 26 April deadline, the first round of voting in the presidential election.

## The Political Plot of the Critical Communists

Or, "the dead souls of the PCF," to use the phrase of the journalist Catherine Clement, who, while refusing to leave the party, wrote in Friday's LE MATIN, "So here is this party, which is called communist, on the way to fascism."

But one might instead of plot say "plots" since the reservoir of disillusioned communists is so large. Some of them have remained inside the party and are hoping that a partial defeat for Marchais in the presidential election will allow them to open up a great debate within the PCF on what prospects the current political line has. Others are in more of a hurry and should be going into action as of next week by publishing a statement recalling the principles of the communist movement in France. Probably signers are former communists like ex-prefect Jean Chaintron, journalist Pierre Li, academics Alexandre Adler and Antoine Spire, and the ex-head of the FTP [Francs-Tireurs et Partisans--a communist guerilla organization of French resistance during World War II] in Paris, Maurice Kriegel-Valrimont, but also include communists who remained inside the party. The effectiveness of this anti-Marchais operation is more questionable than that of the foregoing ones, because this last one jumbles together Eurocommunists, supporters of union with the socialists, and even pro-Soviets.

But that is precisely where Georges Marchais's strength lies as he is faced with these plots: it is he who dictates the rules of the game; it is he who has the key to certain mysteries and most of all has that indestructible apparatus, the PCF, at his disposal. In spite of the plots, in spite of people leaving the party, and in spite of attacks, the machinery still functions well. And George Marchais is too perceptive not to see what is going on around him, what is being plotted, and those who are complaining. During the last meeting of the party's Central Committee, on 12-13 January, was he not the one who made the clearest and most accurate assessment of the party's state of health by saying: "The party is not completely mobilized. We must not let ourselves be impressed by the success of political meetings. There is only a small layer of militants which is active."

The party's whole strategy these last few weeks is contained in these three observations. From now on it is a matter of mobilizing everyone's energy and in order to do that getting the party talked about.

So this campaign of provocation started up at the end of December with the ransacking of a household of Malian workers in Vitry-sur-Seine, followed by a fierce polemic on the immigration problem, a sensitive subject if ever one existed. The next stage was the drugs issue and the attack on a Moroccan family accused of afflicting in Montigny-les-Cornailles (Val-d'Oise). In fact, the drugs were found at the home of the informant. Finally, last Monday there was a new power play, but this time in the temple of the "new wave," the Palace, where Channel 2 and the Europe 1 station had gotten together about thirty young people and seven celebrities (including Edmond Maire and Monique Pelletier) to discuss the topic "Twenty Years Old and What to Do?" But 20 minutes after the beginning of the program political pamphlets rained down on the guests. In the balcony of that former theater in Faubourg-Montmartre, CGT streamers unfolded which had been brought out from under jackets. There was chanting: "Un-un-un-employment-we-have-had-our-fill." The response to an appeal to be quiet by the discussion organizers was footpounding. Then, with a desperate look, while a disco-like fury was being unleashed, Louis Beilot, Channel Two's editor in chief, announced, "There will be no more program." On television a program devoted to Chopin was substituted for the discussion; by a strange chance this was a glance at Poland which the PCF and the CGT carefully avoid mentioning.

This is such a series of "hard-hitting" operations that now everyone is wondering what could be the next front. There is heavy betting that it will have to do with police and security forces. In fact on 17 December the PCF introduced a legislative proposal "aimed at democratic use of the authorities charged with maintaining law and order," a vast subject with vast possibilities!

In any event the method is plain: the PCF has decided after its fashion to wage war. "War on drugs," proclaimed L'HUMANITE on Wednesday. The word has become part of the party's vocabulary. "From now on," a communist confided to us, "militants are being forced to choose sides. Either one accepts the escalation, or one is left out. Out of all of his followers Georges Marchais is demanding exceptionally combative spirit, even if it means defending the indefensible. There can be no room for feelings." Therefore, along these lines some determined opponents of the current leadership capitulated and signed the appeal in L'HUMANITE



to vote for Georges Marchais. The party member went on to say, "Of course this policy is crystallizing and solidifying discontent, but the leadership is convinced that this method will allow the party to maintain its electoral standing. It is convinced that it can compensate to a large extent for certain weaknesses with what is produced by these attacks, whose political impact should not be underestimated."

Will immigrants, drugs, and law and order be electoral themes that pay off? At the Elysee, at any rate, this is what is being pondered: "Either the PCF is retreating into its bunker, or it is losing its mind, or else it is shrewder than all the others and has found what strikes a chord with the voters."

So total war waged in this fashion was devised in order to win the most possible votes for the PCF. That is the number one goal. But to win more votes does not mean wanting to be in power. For, although he proclaims he is the "only anti-Giscard candidate" and is trying to build up his party's strength, Georges Marchais definitely does not want to bring Francois Mitterrand to the Elysee. On the contrary, he wants Mitterrand's defeat, and he stated explicitly at the 12-13 January Central Committee meeting that the socialist leader would be worse than Giscard.

Here we are, come to the heart of the mystery around which the plots revolve. "What is the PCF doing to do?" ask those who question the Marchais line. Is it a party created only to defend the oppressed, or does it finally want to take power?

This existential doubt certainly does not plague Georges Marchais who sticks to one tactic in triplicate. First of all, let us hit Giscard hard so we can appear at the forefront of the struggle and satisfy our constituency. Then, let us take this opportunity to condemn the socialists for swinging to the right—which is where the attacks come in aimed at Charles Hernu, accused, unjustly of course, of not having fought against drug abuse in Villeurbanne. Finally, let us create provocations and make people afraid so that on the second ballot rightist and centrist voters will not be tempted to swing over to Mitterrand who is already tangled up by the question of communist ministers in the government.

And if this is not enough? Well, certain leaders are already starting to raise the specter of Francois Mitterrand's election and of its "sad" repercussions. Thus Georges Seguy confided recently that almost as soon as he was elected Mitterrand would have to receive a union delegation demanding a 35-hour week. Even Georges Marchais allowed himself to get into the business of expressing confidences by promising a really fine bit of social agitation to welcome in Mitterrand as president.

The mechanics are all set up. Will they be effective? An important minister of Valery Giscard d'Estaing's thinks so when, in referring to the position of George Marchais, he says "Provided he does not abandon us before the elections."

Marchais helping out Giscard: it is paradoxical, and yet it is one of the more surprising motivating forces underlying this presidential election. But the results achieved by the secretary general of the PCF on the night of the first



ballot will have to be examined carefully. A decent tally (over 19 percent) would confirm his policy and would for a time thwart the plots hatching around him. Would a bad result lead him to modify his strategy between the rounds of balloting? That is not very likely. Perhaps even a new hardening would be seen. But then the plots could fully bloom. Marchais and his men would witness an open attack on them and it is impossible to say today who would be the victor.

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#### Reactions of Intellectuals

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 25 Feb 81 p 10

[Article by Thankmar von Huenchhausen: "Marchais and the Engineers"]

[Excerpt] Paris, February -- It is Marchais' encounter with the intellectuals, the meeting that was publicized with a lot of propaganda and which the party leadership is using to demonstrate that everything is in good shape between itself and communist intellectuals. The PCF needed a demonstration of this kind-- even without an election campaign. It has been a long time since the party was able to point to the membership of artists like Picasso and Fernand Leger, poets and writers like Paul Eluard and Paul Nizan, scientists of the rank of Joliot-Curie, the nuclear physicist, and when they could point to sympathizers of the caliber of Sartre and Malraux. Only one of the big names is left: Aragon, whose collected works are in the hands of the party publisher.

The disillusionment that set in following the death of Stalin and after the 20th party congress in Moscow--where Khrushchev disclosed the crimes of the dictator, the shock over Budapest in 1956 and Prague in 1968 opened the eyes of many intellectuals. Solzhenitsyn's experiences convinced the "new philosophers" to cease looking upon Stalinism as an "accident of history" and to recognize the fact that it is built into the system. Who would be as naive today as the big child Picasso was when he said: "I came to communism as if to a fountain?"

The fact that the leftwing union of communists and socialists fell apart before the parliamentary elections in 1978 brought about a renewed loss of confidence among party members. In February 1980, Marchais conducted a seminar in the Paris suburb of Bobigny on "The Intellectuals, Culture and the Democratic Advance Toward Socialism." The reason for the meeting was to convince the participants that the PS alone was responsible for the split in the leftwing union.

Many party members were experiencing new conflicts because Marchais was decreeing the "positive global balance" of communism during the 23rd party congress of French communists in May 1979 and because of the renewed subservient loyalty of his party to the Soviet Union. The number of those who returned their membership cards was considerable. Others are shrugging their shoulders and resigning themselves to the situation. There are some who want to stick it out to bring about a change "from within." Alexandre Adler, a communist historian and coauthor of the book "The Soviet Union and We," who was responsible for the fact that the French party was still voicing criticism of "Big Brother" in Moscow, is of the opinion "that there are thousands of communist party members who are determined to resist the current course which the leadership is enforcing without real discussion."

A year ago the writer Eugene Guillevic vowed: "I am staying in the party but I will not keep my mouth closed." In the meantime he found out that little can be accomplished by expressing opinions, no matter how well formulated they are, because the party apparatus is like a brick wall. Guillevic, who had belonged to the party for decades, announced his resignation in December. At the same time, Helene Parmelin, writer and journalist and long-time art critic of the party organ L'HUMANITE, and her husband, the painter Edmond Pignon—a friend of Picasso's—also took the consequences. Parmelin had joined the Communist Party during the time of the resistance, Pignon had joined 10 years earlier, during the People's Front era.

"A few communists are withdrawing from the battle; they have forgotten the principles of the class struggle because of the angry pressure from the opponent," Marchais said scornfully. Those who had left the party gave entirely different reasons, which appeared in a statement signed by approximately 40 dissidents: the party's unconditional support of the Soviet Union, including the actions against Afghanistan and Poland; renunciation of the strategy of a union on the left; elimination of any discussion through "quarrels, insults, contempt"; the "hypocritical moral" of the party: the lack of democracy within the party.

Other nonconformists are expelled from the party before they have a chance to resign. Last fall the following people were deprived of their membership: The writer Jean Kehayan, the historian Jean Elleinstein and Pierre Li, the former Warsaw correspondent of L'HUMANITE. Kehayan, who candidly wrote about everyday life in the Soviet Union in his book "The Street of the Red Proletarians," which caused a stir among the ignorant French comrades, and Pierre Li had indicated that they did not consider Georges Marchais a suitable presidential candidate and that they did not want to vote for him. Elleinstein had become intolerable because of his contributions to the upper-middle class, rightwing FIGARO MAGAZINE.

Some of the dissidents who either left the party or were expelled from it hope to find a "third way" between Stalinism and social democracy. They form new groups to escape the loneliness they suddenly experience. They unload their troubles in books dealing with personal experiences and confessionals and in newspaper articles, using the disgraceful "bourgeois press" as they had done before, when they still belonged to the party.

"The PCF needs uncontrollable intellectuals, intellectuals who ask questions," Maurice Goldring, an English instructor at the Vincennes-Saint-Denis University, wrote in the fall of 1978 in LA NOUVELLE CRITIQUE, a communist monthly magazine. Actually, the ardent communist should have known better: In his book "L'Accident" [the Accident] he had described the difficulties with the party apparatus as experienced by an intellectual. In 1979 the NOUVELLE CRITIQUE, which had become too critical, had to suspend publication. Since then, Maurice Goldring has been on the editorial committee of REVOLUTION, the new weekly magazine of the PCF. But the articles he writes for this party organ are not allowed to be published. Nevertheless, the enthusiastic pedagogue, who has been founding communist cells at high schools and universities since the 1950's, believes in the necessity of the "fundamental change of society." Consequently he wants to remain in the party.

Antoine Spire wanted the same thing. Until 1978 Spire occupied a leading position with the party publisher, the "Editions sociales." He was more or less successful in his effort to replace Marxist tracts with readable books. After a few clashes he resigned. Subsequently the educator was considered one of the most zealous internal critics of the Marchais course at Rennes University. He found a forum for his criticism in TEMOIGNAGE CHRETIEN, a leftwing Catholic magazine. "Every communist has questions and doubts but his conviction dispels the doubt. Some day this balance will collapse," Spire writes in his report entitled: "Profession: permanent" (Profession: party official). As far as Antoine Spire is concerned, it happened to him last month: He left the party out of protest against the actions by the Communist Party against African guest workers.

Gone are the big figureheads from the arts and sciences who had helped the PCF gain respect among the culturally sophisticated French people. Nevertheless, General Secretary Marchais remains imperturbable, calling his party the "vanguard of the important alliance between the labor movement and the best representatives of the French intelligentsia. Although the party leadership lack quality, it is abounding in quantity. The Central Committee maintains that the ranks of its members include 70,000 intellectuals. In the process it is inflating the sociologically poorly defined term of "intelligentsia." According to communist statistics, every communist student or instructor is considered an intellectual, even those who do not include themselves in this group.

The party prepared the announcement in MUTUALITE with a declaration of confidence in Marchais by intellectuals. Signatures reached the number of 1,500. The most famous one was supplied by the singer Juliette Greco. Reluctant L'HUMANITE editors were threatened with dismissal if they did not sign the statement. The names of those that are not on the list could be used to compose a gallery of "fellow travelers" who had become disenchanted.

The party leadership knows from experience that intellectuals are not very reliable. It happened again with respect to educational unions. They were thought to be firmly on their side. Nevertheless, the PCF hopes to find a perfect replacement: among engineers, technicians and leading white-collar workers, a social group which consists of 4 million workers whose influence is steadily increasing because of the contraction of the industrial sector and the expansion of the service sector. Nuclear technology and information science have become key positions in society. It is important for the party to gain influence in these areas—not to mention the voter potential.

Most of the members of this group—for whom the acronym "ITC" has already been coined—seem to favor the PS. Before the parliamentary elections, the Communist Party—in keeping with tradition—had focused its attention on blue-collar workers; it had not yet fully realized the new possibilities. Now that is changing. Today, when the party leadership talks about intellectuals it is no longer referring to professors and artists but to representatives of future technologies. "Natural sciences have a great attraction for me," Georges Marchais states in his recently published book "L'Espoir au present." Nevertheless, the communist leader is not concerned with research for its own sake.

**PSI DIRECTORATE MEMBER MARTELLI ON RELATIONS WITH PCI**

Rome RINASCITA in Italian 6 Mar 81 pp 11-12

[Article by Claudio Martelli]

[Text] Possible Basis for New Rapport Between PCI and PSI. Shelve pre-political (class unity) and post-political (the goal of socialism) appeals, which are far more divisive than unifying. Importance of common roots and our shared representation of the labor world: which union? "New Right" takes issue with the political parties to restore power to the oligarchies, old and new. Socialist response: a new campaign for the "Great Reform."

Only now are the thirteen planks in the PSI's platform and the new majority within the party beginning to show those political aspects which expressly and implicitly hark back to the need to resume the dialogue on the left, particularly the dialogue between the PSI and the PCI.

I refer in the first instance to the formation -- brought about by a political and tactical merger of the factional groups that have accumulated disparate experience in the past -- of the "reformist faction." Why do they style themselves "pro-reform," rather than "pro-autonomy"? Is the choice of appellation truly innocent of political significance, or does that choice also imply a political commitment?

Our attention was called to this "detail" by Secretary Craxi himself at the Directorate meeting and in the constituent assembly that chose it. It is pro-reform rather than pro-autonomy because the long, difficult, and contentious war of words over the issue of socialist autonomy is over. Over because it has been won, over because the overwhelming majority of the PSI -- not merely the very broad majority faction -- now views socialist autonomy as an inviolate principle. Inviolable, yes: but specifically a premise, and no longer the end and goal of our political action. Freed of inferiority complexes, free of knee-jerk reaction to unity with the PCI any old way and at any price, it is possible today to use different bases from those of the past -- bases of mutual understanding, of dialectical confrontation, of convergence and divergence -- to map out a new rapport on the left, a new rapport between the PSI and the PCI.



I believe that any new rapport between PSI and PCI must consciously and meaningfully renounce all the arguments, all the motives, all the claims upon which that rapport has heretofore been based. I am talking now about open, non-sectarian renunciation of that vague, ill-defined shibboleth of pre-political unity (as alleged working-class unity) and post-political unity (as presumed unity of aims within the selfsame class variously organized and represented by two or more parties) which, stretched between and draped over practical relations between PSI and PCI, was supposed to inspire them, put them on trial, and pronounce them innocent or guilty.

The very invocation of "socialism," by reason of the endless variety of experience and experiment the name conjures up, might well arouse dissent under the cloak of the question: "what kind of socialism?" rather than convergence in an impossibly single-minded and reassuring response.

Is it perhaps blasphemy to point out that "working class" and "socialism" no longer signify -- here in Italy, in Europe, or on other continents -- in incontrovertible, unified political and cultural consensus? Or to note that, in the name of allegedly authentic interpretation of working-class and socialism, revolutions have been fought, but so have counter-revolutions? That there have been liberation struggles, but also savage repression? That there have been wars against imperialism, but imperialist wars as well? That there has been lip-service paid to the principles of self-determination, but that limitations have been imposed on sovereignty to the point where we behold a workers' labor union facing down the workers' party, and of war between communist states? Writing off "unity" as a *sine qua non* is therefore no great loss, except of a mythical (or mystical) vision of socialism and communism; it is a renunciation that can open the way to more critical and less sectarian concepts. There was a time when comrade Berlinguer used to use it. Rather than the sacrifice of our minds, might we not celebrate the sacrifice of blind, unquestioning faith?

No new PSI-PCI rapport is likely to be born of invocations of class or of socialism, be they never so lofty in sentiment or admirable in intent; the truth of the matter is that this has become a bad habit which, rather than cooling down, heats up, spreads, and loads ideological emotion onto issues that are far more immediate and far more practical. This in no way undercuts our common -- though by no means exclusive -- claim to speak for the world of labor. Nor does it in any way diminish our responsibility and the duty attendant upon it -- for instance in the field of organized labor -- to refrain from interrupting or compromising the process of unification and autonomy so laboriously patched together and only now beginning to bear fruit.

I persist in my belief that the unity and autonomy already achieved are not mere milestones on which to sit down and rest, but a precondition owed the Italian working people. A new starting point for a consistent initiative aimed at broadening the representative character of organized labor in Italy, to make it more democratic by getting rid, at one fell swoop, of bureaucracy, of vanguarditis, of party unions and well-meaning

grants of joint standing, including those kindly granted to the internal political factions in the several union headquarters.

The reform of organized labor we seek does not consist -- as comrade Occhetto's calmly state argument would indicate he believes it does -- in forswearing our function as proponents of worker demands to shift our emphasis to the participatory function during a moment of crisis in the capitalist cycle. It consists rather in providing for both these functions the proper moderation of the democratic planning process, to whose definition labor's contribution will be the more efficacious the greater is its power and its representative character, as well as the power and stability of an executive committed to steering the economy.

Notwithstanding the crisis of Eurocommunism which begot and fed such high hopes in the days of the 40th and 41st Socialist congresses, our positions over the long run bear out the prospects for an alternative. The international arena is still one that demands penetrating clarification between the two Italian parties.

On the international level the highwater marks of Eurocommunism were reached with the declarations of principle by the Italian, French, and Spanish parties in Paris and in Madrid, the rise of the Union of the Left in France, the eve and the dawn of Spanish democracy, and the PCI dialogue with the European social democratic parties -- but also with Carrillo's and Marchais' dialogue with Craxi.

From that point on there was never to be so promising a coincidence between international cohesion among Eurocommunists and national revisionistic stirrings within each individual party. As might have been expected, that same moment marked the start of the Soviet counter-offensive. The target for attack was the existence of an "international center" in Eurocommunism. The substance of the Soviet objection was the claim that the brother parties of the West could not evolve on their own, independent of Moscow, and at the same time bind themselves to another international center. The pretext came with the publication of Santiago Carrillo's book, "Eurocomunismo y Estado." In his book Carrillo challenges the socialist nature of the USSR, which he harshly describes as "a bureaucratic and police dictatorship of one stratum of the population over all the rest of society."

The PCI, like the PCF, denied the existence of any international center for Eurocommunism other than that of Moscow, and chose a middle ground between Carrillo and Brezhnev, defending Carrillo's right to publish his ideas, asserting that the USSR had no right to issue anathemas of excommunication, and, finally, affirming Italian communists' right to disagree with either side. This was the gradual process by which the nature of the latest relations between the PCI and the PCSU took shape, characterized at once by fundamental solidarity and significant differences. Solidarity will never again be tantamount to mere identification. But then, the differences never reached even the threshold of a breach.

The PCI seems to have discovered or confirmed a prudent and flexible course which we respect but which, from the socialist point of view, we cannot share.

It is a course set for the linking of the system of communist states, parties, and movements, which sees in this linkage both a contribution to detente between the blocs and a possibility of further gains for the socialist camp, and from this to derive the boundaries of its own autonomy in Italy and in Europe and the boundaries of its own remaining influence in international communism. Is this enough in the present international context? We are afraid it is not.

The present international context is characterized by the new American administration's effort to commit its own country's energies and Atlantic solidarity to containment of Soviet global expansionism. Just how this effort will be pursued -- whether it will lead to a point of collision or bring about a new partition of the world -- nobody can say today. There is no doubt that it implies heightened risks for all: for the U.S.A., for the Europeans, and for the western and European left in particular. Those risks, however, cannot be obviated by denying the evidence of Soviet imperialism and the requirements of security in the West.

The socialist and democratic parties, which in Europe have either underestimated or failed to reckon fully with the "fear" effect induced by Soviet expansionism and by the economic disarray, partly consequent upon the sudden emergence onto the world stage of the countries which produce raw materials, and by the crisis of the welfare state, have been lashed by the conservative wind: as much in Switzerland and in Great Britain as on the Iberian Peninsula; in the Federal Republic of Germany the SPD-FRD coalition survived solely thanks to the liberal gains offsetting the social democratic lethargy, while we are still awaiting the outcome of the presidential elections in France.

What about Italy? The socialist position is insistent as to the need for rebuilding an international role for Italy, beginning with intensification of the "struggle for peace, freedom, and solidarity in the world." What we hope and what we seek, however, is a determined and convincing comeback for Eurocommunism and, first of all, for the process of PCI autonomy from the system of communist parties and states. Closer union among the European socialist parties could constitute, as our position states, "the strongpoint for a broader alliance of pro-European parties determined to follow the road of revaluation and of steady growth in the influence and political effectiveness of the Community institutions within the context of a collegial recovery for Europe in the face of world problems and the policies of the superpowers, and toward the Third World."

The Socialist position identifies as the "new right" any attempts or temptations which, real or potential, aim at interrupting or opposing the fruits of the long, laborious, and gradual democratic revolution which, albeit interrupted and opposed in several places and at several times, is the hallmark of this century's history. Democratic revolution



has been and still is the broadening of the social base of political life through the parties that have emerged as the parties of the down-trodden and exploited classes. Millions of human beings in Italy and throughout the world have won citizenship, the right and the possibility to be citizens on an equal basis with any other even though they may not be so prosperous as some others, through this democratic revolution and the massive transfer of power from the old and new economic bureaucratic, military, clerical, and professional oligarchies to the representatives of the people organized into people's parties.

There is no truth in and there will be no acceptance for any polemics against "party rule," the concealed or explicit aim of which is to subvert this process and to take power away from those who have consensus behind them and hand it over to anyone with money enough, or force enough, or even the power of exclusive knowledge, but who lacks the people's consensus.

This is not an issue only in Italy: the attack on "party rule" is rather the Italian version, sometimes demagogically provincial, of the conservative counterattack under way all over the West, aimed at dismantling the democratic political edifice of social security created by socialism, by the Labour Party, and by the Roosevelt New Deal in Europe, in Great Britain, and in the United States.

Our response to the new right and to the dreams of vengeance among the privileged oligarchies encouraged by the winds of conservatism now blowing through the entire Euro-American West is not an arrogant defense of party rule, nor yet a mind closed to the obvious distortions that have cropped up within the democratic institutional system, partly in response to the distortions that have occurred within the parties.

The socialists' response is that of a sweeping reform of the institutions which govern political life, social relations, and the management of the economy. In the context of sweeping reform we have no fear and no hesitation in coming to grips with the problem of the parties as well: of their legitimate power, which is the legislative and governing power, and the power they have arrogated to themselves in our fundamental public institutions, in the intermediate institutions, and in the delegated institutions to the point where -- as has been remarked upon ere now -- we can see their policy people and their executive people at many -- far too many levels in our civil society.

This excrescent superstructure, the consequence of a long battle for political hegemony inside and between the parties in the area of public office is a feature typical of the Italian situation, which must be disarmed and removed, making a clearer distinction between what is public and what is private, and between what is "political" and what "administrative" in what is public; knowing that we must reconcile two primary requirements: that civil society be guaranteed in its autonomy, and that political power -- subject to scrutiny and to replacement -- be able to count on loyal administrators, the executive interpreters of a general course rooted in a majority democratic consensus.



It is not the top party levels that are the final judges when they choose, by law, their own spokesmen and executives; arbitrary or at best uncalled-for today are the coats of partisan political plaster that cover and stiffen our civil society by thrusting upon it their own regulatory criteria, especially where it has least access to its own autonomous organizations and voice.

Is this the fault of our over-long identification of the [Christian Democrats] with the state? Of course. But some blame attaches as well to the communists' "Leninism of peace," and to how much that Leninism has permeated Italian socialism, distracting it from its initial task of building the strengths proper to the worker movement, and channeling those energies into the long march "in uniform" into our institutions. The Great Reform, its most accurate and not its only definition, marks the transfer of governability to the government. In the household dictionaries of the socialists, it is called the transition from /governments of guarantees/ to /governments of reform/.

The more we shift from the goal of guaranteeing a modicum of governability to that of guaranteeing the bases of political and social consensus behind a plan for change, the more the PSI feels the urgency of a positive rapport on the left, in addition to its understandings with the labor movement, with the Communist Party as well. Is it possible to build a new rapport between the two parties, one based on respect and on dialogue, not under the banner of some mystical unity but under that of partial and feasible alliances, of proper and necessary clarification with respect to means and goals, national and international, that can lay down a democratic policy of reforms that could renew the Italian left and our country as well?

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## LUCIANO LAMA GREETES POLISH LABOR UNION DELEGATION

Rome RASSEGNA SINDACALE in Italian 22 Jan 81 pp 60-62

[Text] In the name of the United CGIL-CISL-UIL Federation, Luciano Lama, secretary-general of the CGIL, opened the meeting between the delegation from the Solidarity Union and 1,000 national labor leaders and union members gathered in the Cinema Savoia on 16 January 1981.

After Lama's speech of greeting, which we publish here verbatim, Lech Walesa talked about the labor union situation in his country and replied to questions from a dozen or so union leaders. Carniti then closed the meeting, which was marked at several points by very fervent agreement with and solidarity toward the Polish union delegation.

Rome, Savoy Cinema, 16 January 1981

I should like to repeat our welcome to Lech Walesa and the delegation from Solidarity in the name of the CGIL-CISL-UIL Federation, of the Italian workers, and of the Roman workers present in this hall.

We have all followed, with trepidation, hope, and deep support the struggles of the Polish workers during the month of August; we have supported and support now their goals of expanded democracy and participation; we have admired the sense of responsibility, the dignity, and the great maturity with which they have borne themselves. The accords signed in Danzig were the goal of events sometimes tragic and painful, but also the reward for the stubborn determination of the Polish working class to play an independent role in economic, social, and political national development. That role is confirmed and formalized in these accords, and they justly mark a historic date for Poland.

Beginning with these accords a new phase in the life of your country opens before you. A phase of reforms and experimentation with new patterns in social and political relations which, while respecting existing international alliances, open up vistas of the keenest interest, not only for Poland, but also for all those who believe profoundly that the democratic method, freedom, and pluralism are essential elements in socialism.

These convictions are the inspiration for our work and our struggles. Italian workers, like Polish workers, have not found it easy to win the union, economic, and social advantages they now enjoy. They were paid for with fearsome effort and sometimes with blood. But it is through these struggles that we have strengthened and expanded democracy and carved out an important place for the workers in the factories and in society, even though in our country most of the means of production and most economic power is still in private hands, while in your country there is a system that recognizes human labor as the fundamental value in a society.

The social and political systems within which we union people live and work are different, and they cannot follow the same roads to change, yet we are convinced that there are universal values that reach far beyond the particular economic and institutional context of our lives. These values are of course part of the history of all mankind, but it is the working class, with its struggles and its sacrifices, that has helped affirm them and which has given them new and deeper social significance. So they do indeed belong to us, and we feel ourselves their most faithful guardians and interpreters. They are the values of civil and union liberties, of democracy, of participation at all levels of economic and political life, of equality and of social and cultural progress. We know from our own experience that they are not won once and for all. There are forces in Italian society which have never accepted the expanded role of the workers, and which are realizing that democratic freedom is indeed the mighty fortress of the working class. This is why they rage against them, seek to discredit them, or to empty them of meaning. This is the shared objective of the terrorists and the reactionary forces alike. The Italian working class is fully aware of this and has responded to this threat with strength and high civic and political conscience. We shall not lag behind; not only will we defend these values, we will work to broaden and deepen them. And this will be no easy task because it calls for a deep awareness of the responsibilities we, as union members, bear not only toward the workers, but to the nation as a whole.

In Italy, as in Poland -- albeit in very different contexts -- we are going through a profound economic crisis that is raising questions as to patterns of development, social priorities, and the major economic options. We believe that in this domain there are some problems shared by workers in all countries, quite independent of the political and social system they live in. In Italy and in Europe there has been a staggering growth in unemployment, which has hit hardest at the young, accompanied by chronic inflation that cuts cruelly into wages and strikes savagely at the weakest and most vulnerable of our citizens. At the root of this situation is the international economic crisis, demanding a redistribution of resources among the nations of the world. This is an issue that affects every industrial country -- Italy and Poland among them -- and their relations with the underdeveloped world. No longer is it possible to have high economic growth without triggering profound changes in the structure of consumption and in the production system. This means that increasing portions of resources must be earmarked for stimulating investment in new productive sectors and for

reconverting old ones, expanding scientific research and technological innovation.

These are objective requirements which cannot be postponed. The problem is to choose the social criteria and the economic goals for these resource transfers between consumption and investment and between various patterns of consumption and sectors for investment. We all know that you cannot consume what you do not produce, just as we all know that resources allocated to investment cannot simultaneously be spent on increasing consumption. But the workers who are aware of all this are by no means ready to pay the price for those decisions by themselves. There is new ground for intervention here for organized labor, one which broadens their role and endows it with more meaningful dimensions. The main issue is the workers' right to participate in decisions on economic and social policy at every level, beginning with the factory, and to monitor the implementation of those decisions. The workers must know what options are feasible and single out among them the priorities they deem indispensable. Under conditions like these, a fruitful dialectic is possible between the unions and those who have political and governmental responsibility. We do not believe that the working class, either in Italy or in Poland, will shirk its responsibilities. We have so stated emphatically on every possible occasion, and this is the principle upon which we are beginning to base our bargaining policy. Our unions' demands are not designed solely to protect the interests of this or that category of workers, but also to tie those interests to general economic and social goals. We are certain that this is Solidarity's concern as well as our own. It is in fact writ bold and clear in the Danzig accords, and reference is made to it in several of the economic and social demands contained in them. We know this is a hard road, because the imperatives are many and the needs are countless. Even in Italy, combined recession and inflation are triggering reaction from groups and sectors within the labor movement who seek to defend their own special interests, who overlook the real needs of those who are worse off -- the jobless, the people living on pensions, those in society's backwaters -- and who lack any clear vision of the general interests of the working class and of the country. It is up to organized labor to play this guiding role with courage, to solicit and to publicize the needs of the workers, upholding them with the necessary firmness and at the same time establishing the requisite gradualism, restraining the hasty, minimizing spontaneous and disorderly outbursts, and thwarting provocation wherever it shows its head.

If it is to play this national leading role the working class needs the tools and instruments which enable it to speak out freely and unfettered by outside bonds. This is why we are determined in our assertion that the labor movement is autonomous and independent of the political powers, of governments, and of the economic power of employers public and private. Labor's autonomy and independence are, in our eyes, one of the pillars of democracy and the bedrock of worker participation in our country's economic and social life. In an economically and culturally advanced industrial society not all power is concentrated in institutions: social organizations like the unions are tending to become and indeed are becoming themselves expressions and the autonomous



doers and makers of democracy. This, in our view, is the source of the pluralism that enriches even the institutions, that keeps their operations abreast of and attuned to the evolution of civil society. We are therefore convinced that worker participation is one of those values that must be the hallmark of any kind of modern society. Autonomy and independence imply freedom for workers to organize in unions and to run their unions directly without interference of any kind whatsoever. In this sense we agree entirely with Solidarity when it says that the union is the most important form of worker management. To cherish the distinction of roles between the labor union and economic and political entities is a guarantee of workers' independence. Once we have that clear we can seek broader patterns of participation in the management of corporations and provide a more universal design for the growth of society.

Viewed from this angle the experiment now going on in Poland is meaningful for us as well. Even in the life of the labor union, strictly speaking, the issues of democracy and participation are very much to the fore. In Italy we have had some remarkable experiences in this field. Our basic union structures, the plant or company councils, are directly elected by all the workers in each division or production unit. They therefore represent simultaneously both the union and the workers, union members or not. And we are working now at broadening this form of union representation at the geographical zone level. We know that these issues are at stake in your debates, and that they will be one of the topics at your imminent Solidarity congress. This is one of the topics on which it is more than ever vital to share our varying union experiments. Equally dependent upon the growth of union democracy is the chance of shouldering, with a broad consensus from the masses, the work of social and economic transformation that has already begun, in our different institutional contexts, in both our countries.

The tasks that lie before the Polish working people are great, and the problems are many and not simple of solution. Getting over these difficulties, finding the solutions best suited to reconcile the interests and demands of the workers with the overriding need to continue and consolidate the process that has begun is your task. It is not for us to offer advice, particularly since we operate under such different circumstances. And yet, even within the diversity of our experience and in the disparate social contexts in which we live, we feel it would not be out of place to look for a moment at an imperative common to all working classes. I mean the imperative of unity. Nobody knows better than we how slow and twisting is the road to labor unity. We have lived through times of division and times of unity, and we have learned that unity is a political process that must be rooted in consensus and in respect for everybody's philosophical and political attitudes. And this inevitably implies a difficult critical exercise, a constant, ongoing effort to verify the soundness of our decisions in our relations with the masses. Today we can say that, even though we have yet to achieve a single organization, the practice of unity has taken deep root in Italian unions and among Italian workers. In the CGIL-CISL-UIL

Federation we have leaders and workers who belong to every one of the democratic schools of thought and politics in our country. This makes us a non-ideological, non-partisan labor organization. But it is precisely through the fertile give-and-take of ideas that we have been able to build a labor union with a lot of problems to solve every day, but endowed with an autonomous strategy of its own for transforming society. This frees us to do a political-union job completely autonomous vis-a-vis the political parties whose role is spelled out in the constitution and which we fully recognize and respect.

Unity has made us more independent, and even stronger. Invariably, when unity flags, so does the strength of the union and of the workers, and their impact on society is correspondingly weakened. It may be that in your own union there is a diversity of views and attitudes and the need to keep your pluralism from degenerating into a breach. Certainly, then, different goals are sought by other organizations in your country. In this connection, experience has taught us that extremist tendencies, petty factions, and heavy-handed bureaucracy lead to schisms and weaken the union to the point of death. There is no need to be afraid of that diversity of opinion which is the life and the richness of democracy. What can destroy unity, when the labor movement is free, is any attempt to deceive, or to stifle the opinions that emerge among the workers. It is the workers themselves in the end, who must make the decisions and, when that happens, the danger of irreparable division becomes less imminent. We hope with all our hearts that the Polish working class will grow in strength, in unity, and in autonomy, and it is important that you interpret this imperative correctly.

The CGIL-CISL-UIL Federation, from the beginning, has given its total political support to the process of democratization now going on in Poland, and to Solidarity. This determined support stems from our intimate sharing of the values expressed in it, first of all the workers' right to autonomy and their freedom to organize. It is also inspired, though, by general principles which we hold essential to the building of new international political relations based upon cooperation, upon equality, and upon progress. These principles are those of liberty, independence, and the self-determination of peoples, of their right to choose freely and without outside interference the forms of their political and social organization, of the peaceful settlement of disputes, and of non-intervention, political or military. For this reason we have publicly stated our total condemnation of any sort of interference with Poland. This position of ours refers not only to military intervention but also to political pressure from other countries. It is our profound conviction that the solution to Poland's domestic problems -- with respect for your country's international obligations which you yourselves do not challenge or question -- must be found by the Poles and only by the Poles, and that they will manage, as they have managed thus far, to come up with democratic answers to the controversial issues. The position we have taken on events in Poland is an integral part of our more general internationalist strategy, which is the same at all times and for all countries. Today we stand side by side with

the workers in Nicaragua, in El Salvador, in Chile, in Brazil, in Argentina, in Uruguay and in Bolivia, who in different and far more tragic circumstances are fighting for civil and labor rights, for national autonomy, and for the right to economic and social progress against military and fascist regimes in Latin America. The principles of national independence and of the right of peoples to self-determination are, to us, inviolable principles, and merely to apply them and thereby to make them models for behavior in international relations would go far toward establishing an equitable economic and political order among nations, as well as fostering peace and detente. This is why we have supported the struggles of the Iranian people, even though we do not necessarily support the forms they have taken; this is why we support the right of the Palestinian people to a state of their own; this is why we denounced the Soviet intervention in Afghanistan; this is why we condemn American interference in Latin America and in Iran. We are deeply convinced that there is an intimate bond between these principles, the economic and social advancement of working people all over the world and the creation of a new international economic and political order.

We believe it is the duty of the working class throughout the world to uphold these principles. The possibility of their widespread application, however, depends on the affirmation of peaceful coexistence and economic cooperation among all countries, particularly among countries with disparate political and social systems. One of the basic conditions for detente is arms reduction, particularly reductions in nuclear weapons.

The Federation has fought and is still fighting in this direction, never challenging international alliances lest, in so doing, it give rise to destabilizing fallout. We have stood against the deployment of American nuclear missiles in Europe, and we have called for a freeze on deployment of Soviet SS-20s and for the immediate opening of negotiations between the two parties over reductions in all nuclear weaponry. We believe that this responsible position of ours, largely shared by other European labor organizations and political parties, is one of the necessary conditions for a resumption of the detente process.

In the context of this process of detente, of disarmament, and of international cooperation, the changes now occurring in Poland can also take peaceable root and in turn contribute toward detente.

It was to assist this process that the Federation intervened with the Italian government and with the European Community, asking that Poland be offered every feasible financial facilitation, being careful meanwhile to avoid any hint of political interference.

Our position and our attitude toward Poland and toward the Polish working people is crystal-clear, and it accords with our principles, our internationalist traditions, and our concept of proper international political relations. The advances of the Polish labor movement toward independence and democracy, like worker participation as an enrichment



of the management of a socialist society, constitute major contributions to our struggle. The accomplishment of our mission to transform Italian society is in turn a lift we can offer to the success of your own task.

The advancement of our societies, like the continued progress of our workers, will depend to a large extent upon our ability to perform an ever-loftier synthesis between the values of liberty and justice, while fully utilizing and keeping watchful control over the great scientific discoveries and technological breakthroughs that have come to pass over the past several decades. If they are to walk that road, the people must have peace.

The purpose of your journey to Italy, in addition to meeting the labor movement here and getting to know the working people of our country, is also to meet with a pope -- for the first time in history, a pope who is a Pole. We know that for many of you this represents a tribute, a new emphasis on the religious and moral fidelity that is also an important part of your country's history, as well as the profound conviction of your individual consciences.

The Polish Church has helped over the centuries to protect and preserve your nation's identity and under present-day conditions -- in view of the reasonable and constructive spirit displayed by the POUP and the Polish government -- is working with moderation and prudence toward peaceable advancement for your society and toward a positive rapport with the political institutions which are the binding ties of national concord.

That is indeed proof of wisdom.

These closing remarks of mine express the respect, the understanding, and the friendship which our labor movement and the Italian working people have shown you, not only in your more immediate position as guests of the United Federation, but also in relation to that portion of your visit directed to another purpose and a different host.

Our dearest wish for you, and our most heartfelt brotherly hope is that the work begun with the Danzig accords and the establishment of Solidarity may continue to move forward peacefully and fruitfully. The working people of Poland can count on us.

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## CARNITI OF CISL INTERVIEWED ON PROBLEMS OF SOUTH

Messina GAZZETTA DEL SUD in Italian 27 Jan 81 p 12

[Interview with Pierre Carniti, CISL [Italian Confederation of Labor] leader, by GAZZETTA DEL SUD; 27 Jan 81, in Messina: "Carniti and the South"]

[Text] "The real misfortune for the South, says the labor union leader, "lies in a false oleographic and pietist 'meridionalismo' [southern concern]." Proposals include that of blocking the methane pipeline from Algeria in the southern areas. The 0.50 percent matter.

Messina--The 30th anniversary of the CISL was celebrated at a meeting today in Messina, with Pierre Carniti in attendance.

The CISL is a big organization of more than 3 million workers, strongly rooted in the large industrial cities of the North and the South, in rural areas, in public and private departments. But once more, at the head of labor unionism--as generally at the head of everything that counts in Italy--there is a man from the North, a leader whose majority experience was acquired in a purely northern category, that of the metal workers.

Question: Pierre Carniti, we ask for your credentials first of all in the field of 'meridionalismo' not as a sort of reverse racialism--and possibly not in that of facts and the specific results of labor union initiative. So, show us the 'passport' for your landing here in Messina.

Answer: I am convinced that the real handicap for the South is not that to which you allude, and that moreover it is not always real; and it certainly is not that for many institutions, especially public and political ones. The real historical and post-war misery for the South lies in the incorrect oleographic and pietist 'meridionalismo'. This accounts for the vein of commonplace ideas and ignoble and misleading untruths, like the one that says that the northern worker goes South to steal bread from the southern unemployed person; and that with his struggles and his claims the northerner has eaten also the piece of pie that should have gone to the South. In reality it is not the contraposition of workers from the North and from the South; it is not competition with respect to lower prices

that can resolve the problem. There is proof that years of lower wages have not provided one single additional job in the South. During the 1950's and up to the mid-1960's southern manpower cost less; there were the well-known 'workmen's cages'. Employers and the government used to explain that that served to attract investments for the South and that it would attract local entrepreneurs. But this 'discount' did not produce any of the promised results. And then we decided, first as the CISL and then with other labor unions, that it was necessary to give up the system of salary differentials and to tackle the real problem of southern development--that is, economic and cultural dependence on the North and now also on Europe.

Question: This is true. But the sequel to the story has shown that these various and more aggressive labor union policies also have not resolved the problem. Today the South has a system with costs (also manpower) that are at the European level, but with yields which, except for some areas that have already been launched, are totally insufficient. So?

Answer: Having ascertained that we cannot encourage the locating of productive activity in the South through lower wages, we say that a decisive compelling force is necessary to change the relationship of the South's dependence on the North. Let us remember that it was a compelling force, that is, customs protectionism, that made it possible for northern industry to emerge at the beginning of the century. Since no one can seriously think that protective customs barriers can be instituted between the North and South, it is necessary to find another way to concretely resolve the problem.

Question: What proposals, then, does labor unionism propose? What compelling force does Carniti have in mind?

Answer: The CISL proposes blocking the Algerian methane pipeline in the South. In this connection, the SNAM [National Gas Pipeline Company] makes some technical-type objections, according to which it would not be possible to restrict the network in the South. But we answer that this must be possible, as it moreover was possible to block the network of methane pipelines from East Europe and from Holland in Emilia. And in this connection we are thinking of mobilizing not only southern labor unionism but all workers, in order that this historical opportunity for the South will not be lost.

Question: The availability of energy at lower prices doubtless would be a notable incentive. But what about the deficit regarding entrepreneurs? How does labor unionism answer these needs?

Answer: There is a very specific answer, even if it is a limited one, and certainly not a substitute for the answer that must be given first of all by the state, state participations, and private entrepreneurs. It is the institution of the solidarity fund for the South, established with 0.50 percent of all the salaries and wages received by employees in every productive sector.

The CISL and Italian labor unionism do not accord this instrument a mythical or miraculous value. But we know from history and from our experience that whoever controls the process of accumulation in the last instance will influence investment decisions. Our general political battle consists of guiding planning in such a way that it will truly be a decision-making and operative instrument that will designate the South and employment as primary objectives, with everything else conditioned to these objectives. And this must no longer occur just as residual data which should come from the final result of the development of the system and of the growth of demand. The experience of the 1960's and 1970's has proved the fallacy of this assumption!

Therefore, for the development of the South we are ready to transfer resources from consumption to investment, not from salaries to profits. The latter would leave things as they stand and would only further enrich employers.

Question: But is the problem really that of allotting greater resources for investment in the South? It seems that during these past 30 years money has somehow arrived in the South from Rome. But much was lost on the way or sank in the quagmire of clients and of assistance, both for the common people and that which was diverted to the economic powers of big public and private holdings. So?

Answer: This is the very reason that we insist on controlling the destination of resources. But this control alone will not be enough. It will be necessary to manage development. This is why the CISL emphasizes that it is necessary to integrate the traditional contractual culture of labor unionism with the culture of management.

The resources of the 0.50 percent fund, for example, certainly not be distributed to just anyone who comes forth with his hand out. They must go essentially to the cooperatives of young people who get together to manage services-- in agriculture, in the small self-managed processing enterprises of local production, in the recovery of the areas that were struck by the earthquake. Today's South does not lack human resources. There is mass instruction. We think of what agronomists, technicians, engineers, qualified workers, perhaps even returned emigres, can accomplish together. Rather, what is lacking is the capability of putting all of this together, overcoming the old defects of individualism and of distrust. In order to overcome this initial difficulty, labor unionism can do something specific by restating some plans for the constitution of self-managed productive units.

Question: More plans; so another message of hope, even if this time it comes from a credible interlocutor, like labor unionism?

Answer: Not only hope, but commitment, too; because hope without commitment would be merely a passive act. There is a commitment that is based on the conviction that Italian society now has the potential to make of the South a new frontier for its capacity for progress. In fact, not only labor unionism is moving. There is also the world of culture.

For example, a man of great civil concern, like the economist, Manlio Rossi Doria, has just recently instituted a group research project that looks to the future, starting from the great tragedy of 23 November 1980. Perhaps this difficult winter, among the hardest in the history of the southern people, will represent the bottom of the pit. It is up to the southern people, to workers, and thus to us, to promote recovery and to guide it in the right direction.

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## PRIVATE-ENTERPRISE FINANCE AGENCY FOR SOUTH CREATED

Naples IL MATTINO in Italian 25 Jan 81 p 4

[Interview with Luigi Abete, president of a new private-enterprise finance agency for the South, by Salvatore Rea, of IL MATTINO: "An Agency for the South"]

[Text] An agency has been created for the South by the CONFINDUSTRIA [General Confederation of Italian Industry], with Luigi Abete as president.

Rome-- At the most recent council meeting, during the morning of Thursday, 15 January, the CONFINDUSTRIA, at the request of President Merloni, decided to create an Italian private-enterprise finance agency for the South, entrusting its management to Luigi Abete, who was appointed sole administrator. Abete is a graphic Roman entrepreneur, with factories in Rome, Citta di Castello, and Benevento. He is the chairman of a group of young industrialists affiliated with the CONFINDUSTRIA. The creation of a private-enterprise finance agency for the South is an old "strong desire" of his, made known 2 years ago precisely to IL MATTINO.

[Question] Now that it has become a reality, what will it do? What are the agency's objectives?

[Answer] The basic objective, [replied Abete] is that of promoting, through a series of initiatives, an industrial intervention in the southern areas that have been struck by the earthquake.

[Question] Is the Naples area included in these areas of intervention?

[Answer] Theoretically, yes. In practice we will give preferential treatment to those areas where there are fewer corporations, fewer active studies aimed at industrial development--in the interior zones of Campania and Lucania. In this manner I believe that we will also contribute to resolving Naples' problems, through our objective of re-establishing an equilibrium between the area of the Campania "ridge" and that of the coastal area.

[Question] Has a time limit been established for the agency?

[Answer] Yes, 5 years, at the end of which we will submit a report to show what we have succeeded in accomplishing. Our agency certainly will not turn into a "caravan" project of indeterminate time, like those that are never subjected to a comprehensive judgment. We of course will try to obtain some successful results before the 5 years are up. We imposed the time limit precisely to verify, at the end of that period, if we have been able to intervene in an important manner in improving, or in actually creating where none exist, an industrial structure in the areas that have been struck by the earthquake. Therefore, the agency is called the "Agency for Industrial Intervention." The word, intervention, was not a random choice. After the 23 November earthquake, the private-enterprise sector undertook the task of reconstructing the afflicted areas. But speaking of industrial reconstruction in some of the interior areas of Campania and Lucania would have been only theoretical.

[Question] Where will the money come from to finance the agency? Who will provide the capital?

[Answer] The financing will come from contributions from enterprises that are associated with the CONFINDUSTRIA and also from various individual ones--as, for example, the possibility of foreign enterprises.

[Question] Are the contributions from the agencies that are associated with the CONFINDUSTRIA voluntary?

[Answer] Of course. All of the private associations, like the Confederation of Entrepreneurs, are governed by the principle of voluntarism. Many entrepreneurs have already intervened individually in providing assistance to the areas that were devastated by the earthquake but now, with our initiative, the intervention becomes an institutional one. Therefore it seems to me that the constitution of this agency represents an important political and cultural innovation. The CONFINDUSTRIA no longer limits itself to conducting studies and programs or to summoning entrepreneurs from the North to come to the southern areas, but is equipping itself with an operative instrument. The era of the 'let's make preparations and you start' has ended. We have gone on to that of 'let's prepare and let's begin.

[Question] Do you think that enough capital will be collected?

[Answer] That is difficult to predict. We have designated 30 June as the closing date for the collection of contributions. However, I believe that the basic role of the agency is that of involving, as protagonists, all of the private and public individuals whose objective is the industrial development of the South. Therefore we are making a great effort to realize joint ventures of local entrepreneurs and entrepreneurs from the North. It is necessary to overcome the idea of creating satellite factories of big and medium-size northern firms, which in reality never become factories, because the brains remain up North; and this idea at times and in some places has been viewed as the expression of a colonizer mentality. In short,

we wish to operate as a business bank, to facilitate investment opportunities and the means of financing them.

[Question] Young industrialists for years have been asking for the constitution of a financial agency for the South. But the financial agency never materialized. Was the request granted now because the CONTINDUSTRIA has a new president?

[Answer] I think so. Merloni is an entrepreneur, used to a factory environment. He is acquainted with social reality, including that of the South, and not only because he studies it in sociology books. For this reason he likes specific commitments instead of intentions. When I accepted the assignment he offered me, I did so while remembering an old saying that I like a great deal, which states that for an entrepreneur to create a new job means realizing a political plan. In this sense the agency is a bench test for the private-enterprise sector.

[Question] Is it possible that the agency will last more than 5 years?

[Answer] This agency will definitely end at the close of the 5 years. If, however, there are some favorable results, we will try to develop this idea of intervention. In that case, there is a definite possibility that new structures will be created to resolve other problems in the South.

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## 'IDEALISTS' BLAST COMMUNISTS, PRAISE TURKES FROM EXILE

Frankfurt 18. HEDEF in Turkish Jan 81 pp 1, 3

[Unattributed article]

[Text] Communists and divisionists on various fronts are pressing the war they initiated against the Turkish Republic. On the domestic front they continue to gun down almost every day our military officers, police, and brave soldiers despite 4 months having passed since the takeover. The number of various sorts of weapons that still could be uncovered--even after the order was given to surrender all weapons--exceeds 10 thousands. The hanging of "booby-trapped placards" in the busiest streets of major cities--done with the attitude, "If we want, we can pull off any form of sabotage with these things"--has increased relative to the pre-12 September period. Gradually it is becoming clear how--as in the case of Fatsa--groups like DEV-YOL (Revolutionary Way), DEV-SOL (Revolutionary Left), TIKKO (Turkish Workers and Peasants Liberation Army), THKP-C (Turkish Peoples Liberation Party-Front), and the Apocu (Apoists) as well as DISK (Confederation of Revolutionary Workers Unions) and similar organizations established until 12 September "states within a state" by creating "liberated zones" in numerous neighborhoods, districts, small towns, villages, and cities. Communist pens in the columns of various newspapers and magazines, whose publication could in no way be stopped, pursued their activities through written propaganda...changing strategy and tactics to suit new conditions. Because serious measures could not be taken against communist cells that were diffused throughout every profession, these individuals continued their verbal propaganda against the new administration and regime.

Communists on the external front whipped into action--under the TKP's (Turkish Communist Party) leadership--all communist parties, organizations, and individuals throughout Europe. European and Turkish communists are currently conducting their most blatant activities in Germany, playing upon the "international solidarity mechanism." They are holding "hunger strikes" under the leadership and protection of government deputies who are communists belonging to the Turkish Communist Party, the German Communist Party, and the German Social Democratic Party. The communist international mechanism has been able to get these activities publicized on German television, radio, and in the press. It has succeeded in making it an issue that even the German government itself is addressing. They are working to rally public opinion in Europe against Turkey and the new regime and blocking aid for Turkey.



In a news conference with journalists, German government spokesman Becker said that developments in Turkey are being discussed by the German government and that "hunger strikes staged by Turkish workers are being examined during cabinet meetings." Despite the inability of those governing Turkey to explain to our German ally the fact that those staging these false hunger strikes are the communist and divisionist enemies of the Turkish State and despite the efforts of the Turkish Government to equate Turkish nationalists with the enemies of the state, we are determined to pursue our position made clear up to now with regard to our country's way of life and the solution of our economic and social problems.

There is, however, a phenomenon that has left deep and negative impressions on the conscience of our citizens during the 4 months that the new regime has governed the country and that serves to exemplify the concepts of illegality and injustice. The greatest problem in this regard plaguing millions of citizens is this: The chief causes of Turkey's present dire straits are the leaders and cadres who have governed the country for years. For, past governments have been made up of those who have been blind and remiss toward communism, communists, and divisionists, those who have not effectively exercised the powers vested in the state, and even those who have occasionally supported others so that these very communists might be installed in government posts at all levels. Turkes and his party have never governed alone in Turkey. In partner coalition governments, the party has not shouldered the main responsibility. Despite this, Turkes, whose personality sways the intellectuals, youth and the people of Turkey, has very often made it clear in almost every one of his speeches that our nation came into being through men who believed in "one God, one Flag, and one Fatherland" and that our nation is "a sacred whole of which a partition into eastern, western, northern, and southern parts can never be accepted." He has invited to open forum debates Ecevit, who agrees with the communists who plot against national unity, solidarity, and territorial integrity, a man on intimate terms with them, and who wants to turn political competition into hatred through his public speeches. He has often made "peace overtures" to secure rapprochement at the highest levels. Turkes, who is trying to give concessions to others through every political avenue available to him, got an Assembly Speaker elected by even supporting the candidate of the RPP that has mounted the most virulent opposition to him and his party. He gave a sublime example of citizenship and political goodwill by getting the Assembly into working order.

Since Turkes and his associates cannot be held responsible for Turkish anarchy, communist murders, divisionist efforts, destruction of the state, or economic collapse and since those who have governed Turkey since 1960 have moved about without fear, why this injustice to Turkes and his associates? They wanted to rescue Turkes from disaster by unifying 410 deputies from the major political parties. And did Turkes prevent this with 17 Deputies?

Actually, the freeing of political parties leaders has been accepted by the vast majority of our nation as a sign of the present regime's adherence to democracy. The stand that a great many here do not understand or that is regarded as unjust and illegal is the unfair conduct against Turkes and his associates.

Legal proceedings starting today stemming from shameful charges against retired Colonel Hamdi Sevinc, the former judge of the First Ankara Martial Law Court that was empowered to examine the case against Turkes and his associates. It was learned that Hamdi Sevinc has unlawfully released communists. This person, against whom charges of protecting communists, bribery, unethical conduct, and impropriety, will surely get what's due him. What is important is that Turkes and his associates were entrusted--albeit for a short while--to such a man's discretion and sense of justice. Allegations also arose against court prosecutor Nurettin Soyer, who was assigned the Turkes case, that he in collusion with the former junta-supporter but now leftist lawyer Emin Deger released anarchists of the terrorist group "People's Liberation." It is said that at this moment an investigation is being opened against him on these charges. Our people are asking: "How is it that Turkes and his associates, whom the Hamdi Sevinc's and the Nurettin Soyer's want convicted, still be imprisoned as these men desire?" The Sevinc's and the Soyer's are not in the service of the country's--our country's--independence but rather in the service of other centers. The imprisonment of Turkes and his associates only serves the designs of these dark centers.

Besides all this, Kenan Evren in various speeches recently has made wide-ranging statements about communism and divisionism.

In light of this, one of the things that our citizens await in the days ahead with the greatest anticipation is the new regime's campaigns against communist organizations and individuals having openly declared their treason. Another thing is making public very soon the status of Turkes and his associates.

In this way the integration with the New Regime of hundreds of thousands of intellectuals, youths, and citizens--chilled from the start by this development--will be speeded and facilitated.

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